

FILING STATEMENT

IN RESPECT OF

THE QUALIFYING TRANSACTION OF

METEORITE CAPITAL INC.

INVOLVING THE AMALGAMATION OF

SPARKIT MEDIA INC.

AND

1276711 BC LTD.,

A WHOLLY-OWNED SUBSIDIARY OF METEORITE CAPITAL INC

NOVEMBER 27, 2020

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

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GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Filing Statement, including the schedules hereto.

“**Acquisition Agreement**” means the acquisition agreement to be entered into on or about January 31, 2021, as amended from time to time, among Meteorite, Subco and Sparkit Media, a copy of which is available under Meteorite’s profile on SEDAR at www.sedar.com.

“**Affiliate**” means a company that is affiliated with another company as described below.

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.

A company is “controlled” by a person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and
- (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that person, or
- (b) an Affiliate of that person or an Affiliate of any company controlled by that person.

“**Agency Agreement**” means the agency agreement entered into on or about January 31, 2021, between Meteorite and the Agent in connection with the Offering.

“**Agent**” means, Leede Jones Gable Inc, the agent for the Offering.

“**Amalco**” means the corporation resulting from the amalgamation of Subco and Sparkit pursuant to the Amalgamation.

“**Amalco Shares**” means the common shares in the capital of Amalco.

“**Amalgamation**” means the amalgamation of Subco and Sparkit Media in accordance with the terms and subject to the conditions of the Amalgamation Agreement pursuant to which Subco and Sparkit Media will amalgamate to form Amalco and Sparkit Media Shareholders will receive approximately 0.0975 of one Meteorite Share for each Sparkit Media Share held by such Sparkit Media Shareholder immediately prior to the Effective Time.

“**Amalgamation Agreement**” means the amalgamation agreement to be entered into between Sparkit Media, Subco and Meteorite to give effect to the Amalgamation.

“**Arm’s Length Transaction**” means a transaction which is not a Related Party Transaction.

“**Articles of Amalgamation**” means the articles of amalgamation of Subco and Sparkit Media in respect of the Amalgamation to be filed with the BC Registry Services.

“**Articles of Amendment**” means the filings that are required by the CBCA to be filed with the CBCA Director in order to effect the Name Change.

“**Associate**” when used to indicate a relationship with a person, means:

- (a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person;
- (c) any trust or estate in which the person has a substantial beneficial interest or in respect of which a person serves as trustee or in a similar capacity; and
- (d) in the case of a person who is an individual:
 - (i) that person's spouse or child; or
 - (ii) any relative of the person or of his or her spouse who has the same residence as that person.

“**AST Trust Company**” means AST Trust Company (Canada), the registrar and transfer agent for the Meteorite Shares.

“**Audit Committee**” has the meaning ascribed thereto under “*Information Concerning the Resulting Issuer – Resulting Issuer Officers, Directors and Promoters – Committees*”.

“**BCBCA**” means the *British Columbia Business Corporations Act*, as amended.

“**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday in Montreal, Québec.

“**Cash Commission**” has the meaning ascribed thereto under the heading “*Summary of the Filing Statement – Qualifying Transaction*”.

“**CBCA**” means the *Canada Business Corporations Act*, as amended.

“**CBCA Director**” means the director appointed pursuant to section 260 of the CBCA.

“**Certificate of Amalgamation**” means the certificate of amalgamation to be issued by the BC Registry Services pursuant to the provisions of the BCBCA giving effect to the Amalgamation.

“**Certificate of Amendment**” means the certificate of amendment to be issued by the CBCA Director pursuant to the provisions of the CBCA giving effect to the Name Change.

“**CPC**” means a corporation: (a) that has been incorporated or organized in a jurisdiction in Canada; (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities commissions in Canada in compliance with the Policy 2.4 of the TSXV Manual; and (c) in regard to which the Final Exchange Bulletin has not yet been issued.

“**Effective Date**” shall have the meaning ascribed to such term in Article 1 of the Acquisition Agreement.

“**Effective Time**” means the later of: (a) 12:01 a.m. (Montreal time) on the Effective Date; and (b) immediately after the effective time on the Effective Date of the Amalgamation as effected and evidenced by the Certificate of Amalgamation therefor.

“**Engagement Letter**” means the engagement letter dated May 16, 2020, between Meteorite and the Agent in connection with the Offering.

“**Escrow Release Conditions**” means:

- (a) written confirmation from each of Sparkit Media and Meteorite that all conditions to the completion of the Qualifying Transaction have been satisfied or waived, other than the release of the Escrowed Funds and the closing of the Qualifying Transaction, each of which will be completed forthwith upon release of the Escrowed Funds;

- (b) the receipt of all shareholder and regulatory approvals required for the Qualifying Transaction;
- (c) the distribution of the Meteorite Shares to be issued in exchange for the Sparkit Media Shares pursuant to the Qualifying Transaction being exempt from applicable prospectus and registration requirements of applicable securities laws;
- (d) the Resulting Issuer Shares being conditionally approved for listing on the TSXV and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds;
- (e) such other customary escrow release conditions requested by the Agent, acting reasonably; and
- (f) Meteorite and the Agent shall have delivered a release notice confirming that items (a) through (e), inclusive, have been satisfied.

“**Escrowed Funds**” means the aggregate subscription proceeds from the Offering, less: (a) the cash commission payable to the Agent; and (b) the costs and expenses of or incurred by the Agent, which have not been paid to the Agent as of the closing date of the Offering, being placed in escrow with AST Trust Company, together with all the interest and other income earned thereon.

“**Filing Statement**” means this filing statement of Meteorite dated November 27, 2020 filed with the TSXV pursuant to the TSXV requirements.

“**Final Exchange Bulletin**” means the TSXV bulletin issued following closing of a QT and the submission of all required documentation and that evidences the final TSXV acceptance of a QT.

“**Finders**” means, collectively, the Agent, EMD Financial Inc. and Haywood Securities Inc., each of whom assisted in facilitating the Qualifying Transaction and provided advisory services in connection therewith.

“**Finder Shares**” has the meaning ascribed thereto under the heading “*Summary of the Filing Statement – Qualifying Transaction*”.

“**Fiscal Year 2018**” or “**FY 2018**” has the meaning ascribed thereto under “*Information Concerning Sparkit Media – Selected Financial Information*”.

“**Fiscal Year 2019**” or “**FY 2019**” has the meaning ascribed thereto under “*Information Concerning Sparkit Media – Selected Financial Information*”.

“**GAAP**” means Generally Accepted Accounting Principles.

“**Initial Listing Requirements**” means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the TSXV.

“**Insider**” has the meaning ascribed thereto in the TSXV Manual;

“**Letter of Intent**” means the letter agreement dated May 18, 2020, between Sparkit Media and Meteorite pursuant to which the parties agreed to effect the Qualifying Transaction, as such letter agreement has been amended from time to time.

“**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to any party, any change, event, effect, occurrence or state of facts that has, or could reasonably be expected to constitute a material adverse change in respect of or to have a material adverse effect on, the business, assets, liabilities (including contingent liabilities), conditions (financial or otherwise), prospects or results of operations of the party and its subsidiaries, as applicable, taken as a whole. The foregoing shall not include any change or effects attributable to: (a) changes relating to general economic, political or financial conditions; (b) the state of securities markets in general; (c) changes affecting the cannabis industry, in general, which does not have a materially disproportionate effect on any party; or (d) the announcement of the Qualifying Transaction.

“**Meteorite**” means Meteorite Capital Inc., a corporation existing under the CBCA.

“**Meteorite Audit Committee**” means the audit committee of Meteorite.

“**Meteorite Board**” means the board of directors of Meteorite.

“**Meteorite Broker Warrants**” means warrants to purchase Meteorite Shares, each exercisable to acquire one Meteorite Share at a price of \$0.15 for a period of 24 months following the date the Meteorite Shares commenced trading on the TSXV.

“**Meteorite Option Plan**” means the current stock option plan of Meteorite.

“**Meteorite Options**” means the options to purchase Meteorite Shares issued under the Meteorite Option Plan.

“**Meteorite Shareholders**” means the holders of Meteorite Shares.

“**Meteorite Shares**” or “**Common Shares**” means the common shares in the capital of Meteorite.

“**Meteorite Shareholders’ Meeting**” means the annual and special meeting of Meteorite Shareholders that was held on June 30, 2020.

“**Meteorite Units**” means the units to be issued by Meteorite under the Offering, each unit consisting of one Meteorite Share and one-half ($\frac{1}{2}$) of a common share purchase warrant.

“**Meteorite Unit Broker Warrants**” means warrants to purchase Meteorite Units, each exercisable to acquire one Meteorite Unit at a price of \$0.225 for a period of twenty-four (24) months following the completion of the Offering.

“**Meteorite Warrants**” means each whole warrant entitling its holder to purchase one Meteorite Share at \$0.35 for a period of twenty-four (24) months following the completion of the Offering.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“**Name Change**” means the amendment to the articles of incorporation of Meteorite to effect the name change of Meteorite to “Sparkit Technologies Inc.” or such other name the Meteorite Board may determine and as agreed to by Sparkit Media and is acceptable to the regulators.

“**NEO**” means a named executive officer.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*.

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**Non-Arm’s Length Party**” has the meaning ascribed thereto in Policy 1.1 of the TSXV Manual.

“**Non-Arm’s Length Qualifying Transaction**” has the meaning ascribed thereto in Policy 2.4 of the TSXV Manual.

“**Offering**” has the meaning ascribed thereto under the heading “*Summary of the Filing Statement – Qualifying Transaction*”.

“**Person**” means a company or an individual.

“**Promoter**” has the meaning ascribed thereto in Policy 1.1 of the TSXV Manual;

“**QT**” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

“**Qualifying Transaction**” means the business combination involving Meteorite and Sparkit Media that will result in a reverse take-over of Meteorite by Sparkit Media pursuant to a “three-cornered amalgamation” among Meteorite,

Subco and Sparkit Media, which, if completed, is intended to constitute the QT of Meteorite in compliance with Policy 2.4 of the TSXV Manual and following which securityholders of Sparkit Media will own the substantial majority of the shares of the Resulting Issuer.

“**Related Party Transaction**” has the meaning ascribed to that term under MI 61-101, and includes a related party transaction that is determined by the TSXV to be a Related Party Transaction. The TSXV may deem a transaction to be a Related Party Transaction where the transaction involves non-arms length parties, or where other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

“**Resulting Issuer**” means “Sparkit Technologies Inc.”, which, following the Name Change, will be the name under which, following the completion of the Qualifying Transaction, the entity formerly known as Meteorite will be carrying on business through its now wholly-owned subsidiary, Sparkit Media Inc.

“**Resulting Issuer Board**” means the board of directors of the Resulting Issuer as the same is constituted from time to time.

“**Resulting Issuer Shares**” means the common shares in the capital of the Resulting Issuer upon completion of the Qualifying Transaction.

“**SEC**” means the United States Securities and Exchange Commission.

“**Significant Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the Initial Listing Requirements.

“**Sparkit Media**” or “**Sparkit**” means Sparkit Media Inc., a corporation incorporated under the BCBCA

“**Sparkit Media Board**” means the board of directors of Sparkit Media.

“**Sparkit Media Shareholders**” means holders of Sparkit Media Shares.

“**Sparkit Media Shares**” means the common shares in the capital of Sparkit Media.

“**Subco**” means 1276711 BC LTD., a wholly-owned subsidiary of Meteorite, created under the BCBCA for the purposes of effecting the Qualifying Transaction.

“**Subco Shares**” means the common shares in the capital of Subco.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended.

“**TSXV**” means the TSX Venture Exchange.

“**TSXV Manual**” means the TSXV Corporate Finance Manual.

“**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Filing Statement includes “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities laws. All information, other than statements of historical facts, included in this Filing Statement that address activities, events or developments that Meteorite or Sparkit Media expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of Meteorite’s and Sparkit Media’ businesses, operations, plans and other such matters is forward-looking information. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes, among others, information regarding: expectations regarding whether the Qualifying Transaction will be completed, including whether conditions, including shareholder and regulatory approvals, to the Qualifying Transaction will be satisfied, or the timing for completing the Qualifying Transaction; expectations for the effects of the Qualifying Transaction, the potential benefits of the Qualifying Transaction; statements relating to the business and future activities of, and developments related, to Meteorite and Sparkit Media after the date of this Filing Statement; statements based on the audited financial statements of Meteorite or Sparkit Media; the success of investment activities; expectations for other economic, business, regulatory and/or competitive factors related to Meteorite and/or Sparkit Media; the business objectives and milestones of the Resulting Issuer; the principal uses of available funds, including the funds to be used for anticipated investments; and other events or conditions that may occur in the future.

Investors are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of Meteorite and Sparkit Media at the time they were made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to the ability to complete the Qualifying Transaction; possible termination of the Acquisition Agreement; the issuance of additional Resulting Issuer Shares in the future; increased price volatility of the Resulting Issuer Shares following completion of the Qualifying Transaction; the diversion of management attention; the requirements of being a reporting issuer; compliance with laws; changes in laws, regulations and guidelines; business strategy; risks inherent in strategic alliances; competition; dependence upon key management personnel; conflicts of interest; liquidity and additional financing; difficulty to forecast; reputational risks to third parties; management of growth; equity price risk; anti-money laundering laws and regulation risks; security over underlying assets; unknown defects and impairments; challenging global financial conditions; credit and liquidity risk; litigation; and cybersecurity risks. Risks involving the Qualifying Transaction and the Resulting Issuer that may affect results of operations, earnings and expected benefits of the Qualifying Transaction are discussed under the heading “*Information Concerning the Resulting Issuer – Risk Factors*”. Although Meteorite and Sparkit Media have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date given and Meteorite and Sparkit Media do not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.

CURRENCY PRESENTATION

Meteorite reports in Canadian dollars. Accordingly, unless otherwise indicated, all references to “\$” in this Filing Statement refer to Canadian dollars.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Meteorite, Sparkit Media and the Resulting Issuer (assuming completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Capitalized words and terms in this summary have the same meanings as set forth in the Glossary and elsewhere in this Filing Statement.

Meteorite

Meteorite was incorporated pursuant to the provisions of the CBCA on April 27, 2018, and completed its initial public offering under the Policy 2.4 of the TSXV Manual on October 1, 2018. Meteorite is a CPC, incorporated for the purposes of identifying and evaluating businesses or assets with a view to completing a QT in accordance with Policy 2.4 of the TSXV Manual. Meteorite completed its initial public offering on October 1, 2018, by way of a prospectus dated September 17, 2018. Meteorite sold 5,000,000 Meteorite Shares at a price of \$0.15 per Meteorite Share pursuant to such prospectus, raising gross proceeds of \$750,000. The outstanding Meteorite Shares are listed on the TSXV under the trading symbol “MTR.P”. The Meteorite Shares were halted from trading on May 19, 2020 pending the announcement of the Qualifying Transaction and remain halted as at the date hereof. The market price of the Meteorite Shares on the TSXV on May 15, 2020, the last day of trading immediately prior to the halt, was \$0.10. Until completion of a QT, Meteorite will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed QT. See “*Information Concerning Meteorite – General Development of the Business*”.

Sparkit Media

Sparkit Media was incorporated pursuant to the provisions of the BCBCA on August 21, 2013. It is a B2B technology company that was created to launch the first “Fan Directed Media Network” to allow Influencers (an individual with hundreds or thousands of followers on social media) to create engaging media content for fans to consume online. The primary focus of Sparkit is to facilitate the creation and delivery of sponsored campaigns of crowd sourced videos (called Sparks) from Influencers. Sparkit’s platform accelerates the process of turning this fan engagement with Influencers directly into social PR and sales conversions for e-commerce Brands, as well as providing real-time data and tracking tools to support Influencers and Brands in effectively engaging audiences to drive sales — all in one seamless solution. See “*Information Concerning Sparkit Media – Corporate Structure*”.

The Qualifying Transaction

On May 18, 2020, Sparkit Media entered into the Letter of Intent with Meteorite with respect to the Qualifying Transaction. Meteorite Shares were halted from trading on May 19, 2020 pending the announcement of the Qualifying Transaction and remain halted as at the date hereof. The market price of the Meteorite Shares on the TSXV on May 15, 2020, the last day of trading immediately prior to the halt, was \$0.10. It is expected that on or about January 31, 2021, Sparkit Media will enter into the Acquisition Agreement with Meteorite and Subco, which will supersede the Letter of Intent. The Qualifying Transaction is intended to result in a reverse take-over of Meteorite by the Sparkit Media Shareholders which, upon completion, will constitute a QT for Meteorite under Policy 2.4 of the TSXV Manual and the Sparkit Media Shareholders will own the substantial majority of the common shares of the Resulting Issuer.

Pursuant to the terms of the Acquisition Agreement, Meteorite will acquire 100% of the issued and outstanding securities of Sparkit Media by way of a “three-cornered” amalgamation pursuant to which Sparkit Media and Subco will amalgamate to form Amalco, which will be a wholly-owned subsidiary of Meteorite.

At the Special Shareholders Meeting held on June 30, 2020, the shareholders of Sparkit Media:

- authorized, approved, and ratified the acquisition of Sparkit by Meteorite Capital Inc., by way of a “three-cornered” amalgamation pursuant to which Sparkit Media and Subco will amalgamate to form Amalco, which will be a wholly-owned subsidiary of Meteorite; and

- approved the continuance of the resulting issuer's corporate jurisdiction to the Province of British Columbia pursuant to the *Business Corporations Act* (British Columbia) under the new name of "Sparkit Technologies Inc." or to such other jurisdiction and/or name as may be approved by the directors and applicable regulatory authorities;

Upon closing of the Qualifying Transaction, each Sparkit Media Shareholder will be entitled to receive approximately 0.0975 of one Resulting Issuer Share for each Sparkit Media Share held by such Sparkit Media Shareholder. As a condition to the Qualifying Transaction, all outstanding options, convertible notes, convertible debt and any other agreement for the purchase of Sparkit Shares shall have been, prior to the Amalgamation, exercised for Sparkit Shares, converted into Sparkit Shares or cancelled.

As at the date of this Filing Statement, there were (a) 7,065,000 Meteorite Shares; (b) Meteorite Options to acquire 565,200 Meteorite Shares; (c) Meteorite Broker Warrants to acquire 500,000 Meteorite Shares; and (d) 227,880,181 Sparkit Media Shares issued and outstanding.

At the time of closing of the Qualifying Transaction, Meteorite will issue 22,218,318 Resulting Issuer Shares at a deemed price of \$0.225 per share.

Concurrently with the closing of the Qualifying Transaction, Meteorite intends to conduct a brokered private placement offering of Meteorite Units led by the Agent for gross proceeds to Meteorite of a minimum of \$2,000,000 and a maximum of \$2,250,000 (the "**Offering**"), in accordance with the policies of the TSXV. Each Meteorite Unit shall be comprised of one Meteorite Share and one half (1/2) Meteorite Warrant. Each whole Meteorite Warrant will entitle its holder to purchase one Resulting Issuer Share at a price of \$0.35 for a period of twenty four (24) months following the completion of the Qualifying Transaction. The Agent will receive a (i) a corporate finance fee of \$40,000; (ii) a cash commission (the "**Cash Commission**") equal to 8% of the gross proceeds raised in the Offering; and (iii) warrants to purchase such number of Meteorite Units (the "**Meteorite Unit Broker Warrants**") that is equal to 8% of the number of Meteorite Units sold, provided that no Cash Commission will be payable or Meteorite Unit Broker Warrants issuable for purchasers that are on Meteorite's President's List. Each Meteorite Unit Broker Warrant will be exercisable to acquire one Meteorite Unit at a price of \$0.225 until the date which is 24 months following the completion of the Qualifying Transaction, non-transferable, and subject to customary anti-dilution provisions. The net proceeds from the Offering will be used to expand the Resulting Issuer's business and for general corporate purposes.

Meteorite has also agreed, upon completion of the Qualifying Transaction, to issue to the Finders an advisory fee of 574,444 (250,000 to the Agent, 244,444 to EDM Financial Inc. and 80,000 to Haywood Securities Inc.) Resulting Issuer Shares at a deemed price of \$0.225 per share (the "**Finder Shares**") in connection with the Finders' assistance in locating Sparkit as a target company and advising throughout the Qualifying Transaction process. The Finders deal at arm's length from Meteorite and Sparkit.

Upon completion of the Qualifying Transaction, there will be approximately 39,857,762 Resulting Issuer Shares issued and outstanding, after giving effect to the Amalgamation and the completion of the Offering if the maximum number of Meteorite Units are sold or 38,746,651 Resulting Issuer Shares if the minimum number of Meteorite Units are sold, on a non-diluted basis. A total of 22,218,318 Resulting Issuer Shares will be held by former Sparkit Media Shareholders, 7,065,000 Resulting Issuer Shares will be held by former Meteorite Shareholders, 574,444 Resulting Issuer Shares will be held by the Finders, and between 10,000,000 and 8,888,889 Resulting Issuer Shares will be held by subscribers to the Offering depending whether the maximum or minimum number of Meteorite Units are sold, respectively. Accordingly, if the maximum number of Meteorite Units are sold, approximately 55.74% of the total issued and outstanding Resulting Issuer Shares will be owned by former Sparkit Media Shareholders, approximately 17.73% of the total issued and outstanding Resulting Issuer Shares will be owned by former Meteorite Shareholders, approximately 1.44% of the total issued and outstanding Resulting Issuer Shares will be owned by the Finders and approximately 25.09% of the total issued and outstanding Resulting Issuer Shares will be owned by subscribers to the Offering, on a non-diluted basis, upon completion of the Qualifying Transaction. If the minimum number of Meteorite Units are sold approximately, 59.00% of the total issued and outstanding Resulting Issuer Shares will be owned by former Sparkit Media Shareholders, approximately 18.76% of the total issued and outstanding Resulting Issuer Shares will be owned by former Meteorite Shareholders, approximately 1.53% of the total issued and outstanding Resulting Issuer Shares will be owned by the Finders and approximately 20.71% of the total issued and

outstanding Resulting Issuer Shares will be owned by subscribers to the Offering, on a non-diluted basis upon completion of the Qualifying Transaction.

If completed, the Qualifying Transaction is intended to constitute a QT of Meteorite in compliance with the Policy 2.4 of the TSXV Manual.

See “*The Qualifying Transaction*”.

Steps of the Qualifying Transaction

The Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction and as such, Meteorite Shareholders are not required to approve the Qualifying Transaction. At the Annual and Special Meeting of Meteorite Shareholders held on June 30, 2020, Meteorite Shareholders granted the necessary approval to give effect to the Name Change.

Immediately prior to the Effective Time of the Amalgamation, all outstanding options, convertible notes, convertible debt and any other agreement for the purchase of Sparkit Shares shall have been exercised for Sparkit Shares, converted into Sparkit Shares or cancelled. See “*Information Concerning Sparkit Media – Financings*”.

At the Effective Time of the Amalgamation and as a result of the Amalgamation:

- (i) each holder of Sparkit Media Shares shall receive approximately 0.0975 of one fully paid and non-assessable Meteorite Share for each issued and outstanding Sparkit Media Share held by such holder immediately prior to the Effective Time, following which all such Sparkit Media Shares shall be cancelled;
- (ii) Meteorite shall receive one fully paid and non-assessable Amalco Share for each Subco Share held by Meteorite, following which all such Subco Shares shall be cancelled;
- (iii) in consideration of the issuance of Meteorite Shares to the Sparkit Media Shareholders, Amalco shall issue to Meteorite 22,218,318 Amalco Shares;
- (iv) Meteorite shall add to the stated capital maintained in respect of the Meteorite Shares an amount equal to the aggregate paid-up capital (for the purposes of the Tax Act) immediately prior to the Amalgamation of the Sparkit Media Shares;
- (v) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital (for the purposes of the Tax Act) immediately prior to the Amalgamation of the Subco Shares and the Sparkit Media Shares;
- (vi) Amalco will become a wholly-owned subsidiary of Meteorite; and
- (vii) the Resulting Issuer shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by the Amalgamation Agreement to any holder of Sparkit Media Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Sparkit Media Shares, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

At the Effective Time, the registered holders of Sparkit Media Shares immediately prior to the Effective Time shall be deemed to be the registered holders of the Resulting Issuer Shares to which they are entitled. The holders of share certificates representing such Sparkit Media Shares may surrender such certificates to AST Trust Company and,

upon such surrender, shall be entitled to receive and, as soon as reasonably practicable following the Effective Time shall receive, share certificates or such other instrument representing the number of Resulting Issuer Shares to which they are so entitled. Each fractional Resulting Issuer Share to be issued shall be rounded down to the nearest whole number of Resulting Issuer Shares and no cash or other consideration shall be issued in lieu thereof.

Meteorite, as the registered holder of all of the issued and outstanding Subco Shares, shall be deemed to be the registered holder of all of the issued and outstanding Amalco Shares, and upon surrendering the certificates representing such Subco Shares to Amalco, Meteorite shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled.

As of the Effective Time, each current member of the Meteorite Board, other than Charles R. Spector, will resign and Clovis Najm and Lisa Dea will be appointed to Meteorite's Board, subject to acceptance by the TSXV.

Completion of the Qualifying Transaction

Upon the satisfaction or waiver of the conditions to the completion of the Qualifying Transaction including, without limitation, obtaining the requisite regulatory approvals and the filing of the Articles of Amendment by Meteorite, Subco and Sparkit Media will jointly file the Articles of Amalgamation with the BC Registry Services.

The Qualifying Transaction will be completed and the Amalgamation will become effective at the Effective Time. It is currently anticipated that the Effective Date will be on or about January 31, 2021.

Following completion of the Qualifying Transaction, the Resulting Issuer Shares are expected to be listed on the TSXV under the trading symbol "SPRK".

Conditional Listing Approval

The TSXV has conditionally accepted the Qualifying Transaction subject to Meteorite and Sparkit fulfilling all of the requirements of the TSXV on or before February 25, 2021.

Selected Financial Information of Meteorite

The following table sets out certain selected financial information of Meteorite in summary form for the fiscal years ended December 31, 2018 and December 31, 2019, and for the six-month period ended June 30, 2020.

| | Period ended June 30, 2020 | Year ended December 31, 2019 | Year ended December 31, 2018 |
|-----------------|---------------------------------------|---|---|
| Interest Income | \$12,324 | Nil | Nil |
| Total expenses | \$46,712 | \$92,588 | \$154,451 |
| Net loss | (\$34,388) | \$(92,588) | \$(154,451) |

See "*Information Concerning Meteorite – Selected Financial Information and Management Discussion and Analysis*".

Selected Annual Financial Information of Sparkit Media

The following table sets out a summary of selected financial information for the years ended December 31, 2018 and December 31, 2019, and for the six-month period ended June 30, 2020:

| | Period ended June 30, 2020 | Year ended December 31, 2019 | Year ended December 31, 2018 |
|-----------------------------------|---------------------------------------|---|---|
| Summary Operating Results | | | |
| Operating expenses | \$195,358 | \$330,140 | \$376,725 |
| Net operating income (loss) | (\$190,914) | (\$330,140) | (\$362,100) |
| Net income (loss) | (\$458,675) | (\$794,653) | (\$445,572) |
| Total comprehensive income (loss) | (\$458,675) | (\$794,653) | (\$445,572) |
| Basic earnings per share ("EPS") | (\$0.00) | (\$0.01) | (\$0.00) |

| | Period ended June 30, 2020 | Year ended December 31, 2019 | Year ended December 31, 2018 |
|--------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Diluted EPS | (\$0.00) | (\$0.01) | (\$0.00) |
| Balance Sheet Data | | | |
| Cash | \$25,590 | \$260 | \$2 |
| Total assets | \$25,590 | \$260 | \$2 |
| Total liabilities | \$468,787 | \$1,600,704 | \$1,291,477 |
| Shareholders' equity (deficit) | (\$443,197) | (\$1,600,444) | (\$1,291,475) |

Sparkit Media declared no cash dividends during the six months ended June 30, 2020. See “*Information Concerning Sparkit Media –Selected Financial Information*”.

Information about Resulting Issuer

Pursuant to the Qualifying Transaction, Subco and Sparkit Media will amalgamate to form Amalco, a wholly-owned subsidiary of Meteorite. In connection with the Qualifying Transaction, the Resulting Issuer will also change its name to “Sparkit Technologies Inc.” or such other name as may be determined by the board of directors of Meteorite, at the direction of Sparkit, and acceptable to the regulators. See “*Information Concerning the Resulting Issuer*”.

The following table sets out the estimated funds available to the Resulting Issuer after giving effect to the Qualifying Transaction and the Offering as at the dates indicated.

| Source of Funds | Following Completion of the Qualifying Transaction and the Offering (Minimum Subscription) | Following Completion of the Qualifying Transaction and the Offering (Full Subscription) |
|--|--|---|
| Estimated Meteorite working capital as at October 31, 2020 | \$436,131 ⁽¹⁾ | \$436,131 ⁽¹⁾ |
| Estimated Sparkit Media working capital as at October 31, 2020 | \$(560,833) ⁽²⁾ | \$(560,833) ⁽²⁾ |
| Net proceeds of the Offering | \$1,840,000 ⁽³⁾ | \$2,070,000 ⁽⁴⁾ |
| Total available funds: | \$1,715,298 | \$1,945,298 |

(1) Includes the finance fee of \$40,000 to the Agent and approximately \$150,000 in legal and accounting fees already disbursed in connection with the Qualifying Transaction.

(2) Includes an outstanding debt with the Canada Revenue Agency totaling \$184,488.

(3) After deducting the Cash Commission of approximately \$160,000.

(4) After deducting the Cash Commission of approximately \$180,000.

The following table sets out the proposed use of the available funds by the Resulting Issuer after giving effect to the Qualifying Transaction and the Offering.

| Principal Uses of Available Funds ⁽¹⁾⁽²⁾ | Following Completion of the Qualifying Transaction and the Offering (Minimum Subscription) | Following Completion of the Qualifying Transaction and the Offering (Full Subscription) |
|---|--|---|
| Administration | \$585,140 | \$585,140 |
| Development | \$352,940 | \$352,940 |
| Public relations | \$56,000 | \$56,000 |
| Sales and marketing | \$457,560 | \$457,560 |
| Equipment | \$20,000 | \$20,000 |
| Unallocated working capital | \$243,658 | \$473,658 |
| Total uses of funds: | \$1,715,298 | \$1,945,298 |

(1) It is expected that the Resulting Issuer will have negative cash flow and has limited revenue history.

(2) It is expected that until its revenue grows, the Resulting Issuer will fund negative cash flow from operating activities in future periods from the proceeds of the Offering.

Selected Pro Forma Financial Information

The following table sets out a summary of selected pro forma financial information for the Resulting Issuer as at June 30, 2020 after giving effect to the Qualifying Transaction and the Offering and should be read in conjunction with the pro forma financial statements and the notes thereto for the Resulting Issuer attached hereto as Schedule “I”:

| Balance Sheet Data | As of June 30, 2020 |
|---------------------------|----------------------------|
| Current Assets | \$1,958,006 |
| Total Assets | \$1,958,006 |
| Current Liabilities | (\$413,501) |
| Total Liabilities | (\$413,501) |
| Shareholders' Equity | \$1,544,505 |

Risk Factors

The Qualifying Transaction is subject to a number of risk factors inherent to similar transactions of this nature. Additional risks and uncertainties may also adversely affect the Resulting Issuer Shares and/or the business of the Resulting Issuer following completion of the Qualifying Transaction. See “*Information Concerning the Resulting Issuer – Risk Factors*” for a detailed summary of the risk factors.

Interests of Insiders, Promoters and Control Persons

No Insider, Promoter or Control Person of Meteorite and their respective Associates and Affiliates (before giving effect to the Qualifying Transaction) have any interest in Sparkit Media.

Conflicts of Interest

Charles R. Spector, a proposed director of the Resulting Issuer, is a partner at the law firm of Dentons Canada LLP, which acts as legal counsel to Meteorite. See “*Information Concerning the Resulting Issuer – Risk Factors – Conflicts of Interest*”.

In addition, certain directors and officers of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see “*Information Concerning the Resulting Issuer – Other Reporting Issuers*” below. In accordance with the CBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer. See “*Information Concerning the Resulting Issuer – Risk Factors – Conflicts of Interest*”.

Non-Arm’s Length Transaction

It is the collective view of Meteorite and Sparkit Media that the proposed Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction.

Sponsorship and Agent Relationship

It is expected that, on or about January 31, 2021, Meteorite will enter into the Agency Agreement with the Agent in connection with the Offering. Pursuant to the terms of the Agency Agreement, the Agent agreed to assist and

support Meteorite in connection with the Qualifying Transaction. In addition, the Agent agreed to deliver to the TSXV a written confirmation (the “**Confirmation**”) that it has completed appropriate due diligence on both the Qualifying Transaction and the Filing Statement if required by the TSXV in lieu of sponsorship. Subject to the satisfaction of certain conditions, the TSXV has granted the Resulting Issuer a waiver from the sponsorship requirements set out in Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Manual in respect of the Qualifying Transaction.

Other than its share of the Agent’s fees associated with the Offering (including the Finder Shares), no additional fees were paid or are payable to the Agent in connection with the delivery of the Confirmation.

THE QUALIFYING TRANSACTION

The following description of the material terms and conditions of the Acquisition Agreement is a summary only and is qualified in its entirety by reference to the terms of the Acquisition Agreement. The full text of the Acquisition Agreement is available under Meteorite's profile on SEDAR at www.sedar.com.

Pursuant to the Acquisition Agreement, Meteorite, Subco and Sparkit Media have agreed to complete the Qualifying Transaction pursuant to which, among other things, Subco and Sparkit Media will amalgamate pursuant to the provisions of the BCBCA to form Amalco and each Sparkit Media Shareholder will be entitled to receive approximately 0.0975 of one Resulting Issuer Share for each Sparkit Media Share held by such Sparkit Media Shareholder immediately prior to the Effective Time.

If completed, the Qualifying Transaction is intended to constitute a QT of Meteorite in compliance with Policy 2.4 of the TSXV Manual and securityholders of Sparkit Media will own the substantial majority of the shares of the Resulting Issuer.

Immediately prior to the Effective Time of the Amalgamation, all outstanding options, warrants and other convertible securities of Sparkit will have either been exercised or converted for their rightful number of Sparkit Shares or cancelled.

Concurrently with the closing of the Qualifying Transaction, Meteorite intends to conduct the Offering of Meteorite Units led by the Agent for gross proceeds to Meteorite of a minimum of \$2,000,000 and a maximum of \$2,250,000, in accordance with the policies of the TSXV. Each Meteorite Unit shall be comprised of one Meteorite Share at a deemed price of \$0.225 per share and one half (1/2) Meteorite Warrant. Each whole Meteorite Warrant will entitle its holder to purchase one Resulting Issuer Share at a price of \$0.35 for a period of twenty four (24) months following the completion of the Qualifying Transaction. The Agent will receive a Cash Commission equal to 8% of the gross proceeds raised in the Offering and such number of Meteorite Unit Broker Warrants that is equal to 8% of the number of Meteorite Units sold, provided that no Cash Commission will be payable or Meteorite Unit Broker Warrants issuable for purchasers that are on Meteorite's President's List. Each Meteorite Unit Broker Warrant will be exercisable to acquire one Meteorite Unit at a price of \$0.225 until the date which is 24 months following the completion of the Qualifying Transaction, non-transferable, and subject to customary anti-dilution provisions. The Meteorite Units (common share and warrants) issued pursuant to the Offering will be offered in minimum subscriptions of 20,000 Meteorite Units (\$4,500) by way of a subscription agreement for accredited investors only and will be subject to a statutory hold or restricted period of four (4) months and one day after the closing of the Offering. The net proceeds from the Offering will be used to expand the Resulting Issuer's business and for general corporate purposes.

As at the date of this Filing Statement, there were (a) 7,065,000 Meteorite Shares; (b) Meteorite Options to acquire 565,200 Meteorite Shares; (c) Meteorite Broker Warrants to acquire 500,000 Meteorite Shares; and (d) 227,880,181 Sparkit Media Shares issued and outstanding.

Upon completion of the Qualifying Transaction, there will be approximately 39,857,762 Resulting Issuer Shares issued and outstanding if the maximum number of Meteorite Units are sold through the Offering, or 38,746,651 Resulting Issuer Shares if the minimum number of Meteorite Units are sold, on a non-diluted basis. A total of 22,218,318 Resulting Issuer Shares will be held by former Sparkit Media Shareholders, 7,065,000 Resulting Issuer Shares will be held by former Meteorite Shareholders, 574,444 Resulting Issuer Shares will be held by the Finders, and between 10,000,000 and 8,888,889 Resulting Issuer Shares will be held by subscribers to the Offering depending whether the maximum or minimum number of Meteorite Units are sold, respectively. Accordingly, if the maximum number of Meteorite Units are sold, approximately 55.74% of the total issued and outstanding Resulting Issuer Shares will be owned by former Sparkit Media Shareholders, approximately 17.73% of the total issued and outstanding Resulting Issuer Shares will be owned by former Meteorite Shareholders, approximately 1.44% of the total issued and outstanding Resulting Issuer Shares will be owned by the Finders and approximately 25.09% of the total issued and outstanding Resulting Issuer Shares will be owned by subscribers to the Offering, on a non-diluted basis, upon completion of the Qualifying Transaction. If the minimum number of Meteorite Units are sold approximately, 57.34% of the total issued and outstanding Resulting Issuer Shares will be owned by former Sparkit Media Shareholders, approximately 18.23% of the total issued and outstanding Resulting Issuer Shares will be owned by former Meteorite

Shareholders, approximately 1.48% of the total issued and outstanding Resulting Issuer Shares will be owned by the Finders and approximately 22.94% of the total issued and outstanding Resulting Issuer Shares will be owned by subscribers to the Offering, on a non-diluted basis upon completion of the Qualifying Transaction.

If all of the Meteorite Options, Meteorite Warrants, Meteorite Broker Warrants and Meteorite Unit Broker Warrants were exercised, upon completion of the Qualifying Transaction and the Offering, the Resulting Issuer would have approximately 47,122,962 issued and outstanding Resulting Issuer Shares if the maximum number of Meteorite Units are sold through the Offering, or 45,322,963 Resulting Issuer Shares if the minimum number of Meteorite Units are sold, of which 22,218,318 Resulting Issuer Shares will be held by former Sparkit Media Shareholders and 8,130,200 Resulting Issuer Shares will be held by former Meteorite Shareholders. Accordingly, upon completion of the Qualifying Transaction and the Offering, if the maximum number of Meteorite Units are sold, approximately 47.15% of the total issued and outstanding Resulting Issuer Shares will be owned by former Sparkit Media Shareholders, approximately 17.25% of the total issued and outstanding Resulting Issuer Shares will be owned by former Meteorite Shareholders, approximately 3.77% of the total issued and outstanding Resulting Issuer Shares will be owned by the Finders and approximately 31.83% of the total issued and outstanding Resulting Issuer Shares will be owned by subscribers to the Offering, on a fully-diluted basis. If the minimum number of Meteorite Units are sold approximately, 49.02% of the total issued and outstanding Resulting Issuer Shares will be owned by former Sparkit Media Shareholders, approximately 17.94% of the total issued and outstanding Resulting Issuer Shares will be owned by former Meteorite Shareholders, approximately 3.62% of the total issued and outstanding Resulting Issuer Shares will be owned by the Finders and approximately 29.42% of the total issued and outstanding Resulting Issuer Shares will be owned by subscribers to the Offering, on a fully-diluted basis upon completion of the Qualifying Transaction.

Following completion of the Qualifying Transaction, the Resulting Issuer Shares are expected to be listed and posted for trading on the TSXV under the trading symbol “SPRK”.

Implementation of the Qualifying Transaction is subject to receipt of all requisite regulatory approvals, shareholder and director approvals, third party consents and other customary conditions.

Steps of the Qualifying Transaction

The Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction and as such, Meteorite Shareholders are not required to approve the Qualifying Transaction. At the Annual and Special Meeting of Meteorite Shareholders on June 30, 2020, Meteorite Shareholders granted the necessary approval to give effect to the Name Change.

Immediately prior to the Effective Time of the Amalgamation, all outstanding options, convertible notes, convertible debt and any other agreement for the purchase of Sparkit Shares shall have been exercised for Sparkit Shares, converted into Sparkit Shares or cancelled. See “*Information Concerning Sparkit Media – Financings*”.

At the Effective Time of the Amalgamation and as a result of the Amalgamation:

- (i) each holder of Sparkit Media Shares shall receive approximately 0.0975 of one fully paid and non-assessable Meteorite Share for each issued and outstanding Sparkit Media Share held by such holder immediately prior to the Effective Time, following which all such Sparkit Media Shares shall be cancelled;
- (ii) Meteorite shall receive one fully paid and non-assessable Amalco Share for each Subco Share held by Meteorite, following which all such Subco Shares shall be cancelled;
- (iii) in consideration of the issuance of Meteorite Shares to the Sparkit Media Shareholders, Amalco shall issue to Meteorite 22,218,318 Amalco Shares;
- (iv) Meteorite shall add to the stated capital maintained in respect of the Meteorite Shares an amount equal to the aggregate paid-up capital (for the purposes of the Tax Act) immediately prior to the Amalgamation of the Sparkit Media Shares;

- (v) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital (for the purposes of the Tax Act) immediately prior to the Amalgamation of the Subco Shares and the Sparkit Media Shares;
- (vi) Amalco will become a wholly-owned subsidiary of Meteorite; and
- (vii) the Resulting Issuer shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by the Amalgamation Agreement to any holder of Sparkit Media Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Sparkit Media Shares, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

At the Effective Time, the registered holders of Sparkit Media Shares immediately prior to the Effective Time shall be deemed to be the registered holders of the Resulting Issuer Shares to which they are entitled. The holders of share certificates representing such Sparkit Media Shares may surrender such certificates to AST Trust Company and, upon such surrender, shall be entitled to receive and, as soon as reasonably practicable following the Effective Time shall receive, share certificates or such other instrument representing the number of Resulting Issuer Shares to which they are so entitled. Each fractional Resulting Issuer Share to be issued shall be rounded down to the nearest whole number of Resulting Issuer Shares and no cash or other consideration shall be issued in lieu thereof.

Meteorite, as the registered holder of all of the issued and outstanding Subco Shares, shall be deemed to be the registered holder of all of the issued and outstanding Amalco Shares, and upon surrendering the certificates representing such Subco Shares to Amalco, Meteorite shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled.

As of the Effective Time, each current member of the Meteorite Board, other than Charles R. Spector, will resign and Clovis Najm and Lisa Dea will be appointed to Meteorite's Board, subject to acceptance by the TSXV.

Completion of the Qualifying Transaction

Upon the satisfaction or waiver of the conditions to the completion of the Qualifying Transaction including, without limitation, obtaining the requisite shareholder and regulatory approvals and the filing of the Articles of Amendment by Meteorite, Subco and Sparkit Media will jointly file the Articles of Amalgamation with the BC Registry Services.

The Qualifying Transaction will be completed and the Amalgamation will become effective at the Effective Time. It is currently anticipated that the Effective Date will be on or about January 31, 2021.

Following completion of the Qualifying Transaction, the Resulting Issuer Shares are expected to be listed on the TSXV under the trading symbol "SPRK".

Conditional Listing Approval

The TSXV has conditionally accepted the Qualifying Transaction subject to Meteorite and Sparkit fulfilling all of the requirements of the TSXV on or before February 25, 2021.

INFORMATION CONCERNING METEORITE

Corporate Structure

Name, Address and Incorporation

Meteorite was incorporated on April 27, 2018 by certificate of incorporation issued pursuant to the provisions of the CBCA under the name “Meteorite Capital Inc.”. The head office and registered office of Meteorite are located at 1 Place Ville Marie, Suite 3900, Montreal, Québec, H3B 4M7.

General Development of the Business

Meteorite is a CPC, which completed its initial public offering on October 1, 2018, by way of a prospectus dated September 17, 2018. Meteorite sold 5,000,000 Meteorite Shares at a price of \$0.15 per Meteorite Share pursuant to such prospectus, raising gross proceeds of \$750,000. The outstanding Meteorite Shares are listed on the TSXV under the trading symbol “MTR.P”.

Meteorite’s principal business is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses with a view to completing a QT and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. The Amalgamation will be Meteorite’s QT.

On May 18, 2020, Meteorite and Sparkit Media entered into the Letter of Intent. The Meteorite Shares were halted from trading on May 19, 2020 pending the announcement of the Qualifying Transaction and remain halted as at the date hereof. The market price of the Meteorite Shares on the TSXV on May 15, 2020, the last day of trading immediately prior to the halt, was \$0.10.

On November 27, 2020, Subco was incorporated pursuant to the BCBCA. Subco is a wholly-owned subsidiary of Meteorite formed solely for the purpose of entering into the Acquisition Agreement and completing the Amalgamation. Meteorite has no subsidiaries except for Subco.

It is expected that on or about January 31, 2021 Meteorite and Sparkit entered into the Acquisition Agreement, which set out the terms of the Qualifying Transaction. For further information, see “*The Qualifying Transaction*”.

Concurrently with the closing of the Qualifying Transaction, Meteorite intends to conduct the Offering of Meteorite Units, led by the Agent, for gross proceeds to Meteorite of a minimum of \$2,000,000 and a maximum of \$2,250,000. Each Meteorite Unit shall be comprised of one Meteorite Share at a deemed price of \$0.225 per share and one half (1/2) Meteorite Warrant. Each whole Meteorite Warrant will entitle its holder to purchase one Resulting Issuer Share at a price of \$0.35 for a period of twenty four (24) months following the completion of the Qualifying Transaction. The Meteorite Units issued pursuant to the Offering will be offered in minimum subscriptions of 20,000 Meteorite Units (\$4,500) by way of a subscription agreement for accredited investors only and will be subject to a statutory hold or restricted period of four (4) months and one day after the closing of the Offering. For its services, the Agent will receive (i) a corporate finance fee of \$40,000; (ii) a Cash Commission equal to 8% of the gross proceeds raised in the Offering; and (iii) such number of Meteorite Unit Broker Warrants that is equal to 8% of the number of Meteorite Units sold.

Selected Financial Information and Management’s Discussion and Analysis

The following table sets out certain selected financial information of Meteorite in summary form for the fiscal years ended December 31, 2018 and December 31, 2019, and for the six-month period ended June 30, 2020.

| | Period ended June 30, 2020 | Year ended December 31, 2019 | Year ended December 31, 2018 |
|-----------------|---------------------------------------|---|---|
| Interest Income | \$12,324 | Nil | Nil |
| Total expenses | \$46,712 | \$92,588 | \$154,451 |
| Net loss | (\$34,388) | \$(92,588) | \$(154,451) |

Management's Discussion and Analysis

Financial information relating to Meteorite, including its audited financial statements for the year December 31, 2019, unaudited financial statements for the six-month period ended June 30, 2020 and its related management's discussion and analysis are attached hereto as Schedules "A", "B", "C" and "D". Certain information included in such management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Cautionary Note Regarding Forward-Looking Information.*"

Description of Securities

Meteorite is authorized to issue an unlimited number of Common Shares, of which 7,065,000 Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.

Common Shares

The holders of Common Shares are entitled to receive notice of and attend all meetings of the Meteorite Shareholders and are entitled to one vote in respect of each Common Share held at such meetings. Meteorite Shareholders are entitled to receive dividends if, as and when declared by the Meteorite Board. In the event of liquidation, dissolution or winding-up of Meteorite, Meteorite Shareholders are entitled to share rateably in such assets of Meteorite as are distributable to the holders of Common Shares.

Stock Option Plan and Options Granted

Meteorite maintains the Meteorite Option Plan for directors, officers, employees and consultants of Meteorite and its subsidiaries, which was established on July 13, 2018.

The number of Meteorite Shares, the exercise price per Meteorite Share, the vesting period and any other terms and conditions of options granted pursuant to the Meteorite Option Plan, from time to time, are determined by the Meteorite Board at the time of the grant, subject to the defined parameters of the Meteorite Option Plan.

The Meteorite Option Plan is administered by the Meteorite Board. Participation is limited to directors, officers, employees and consultants providing services to Meteorite. The exercise price of any Meteorite Option cannot be less than the greater of Meteorite's IPO share price and the market price of the Meteorite Shares at the time the option is granted. Market price is deemed to be the closing price as reported on the principal stock exchange on which the Meteorite Shares are listed on the last trading day immediately preceding the day upon which the option is granted. The exercise period cannot exceed ten years. Meteorite Options may be exercised within the greater of 12 months after completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with Meteorite, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The Meteorite Option Plan allows for the issuance of stock options on a "rolling" basis whereby up to a maximum of 10% of the issued and outstanding Meteorite Shares may be reserved for granting under the Meteorite Option Plan with no vesting provisions. The maximum number of Meteorite Shares reserved for issuance to any individual officer or director shall not exceed 5% of the issued and outstanding Meteorite Shares and to any consultant or person providing investor relation activities shall not exceed 2% of the issued and outstanding Meteorite Shares, in each case subject to adjustment of such number pursuant to the provisions contained in the Meteorite Option Plan related to share capital readjustments.

As of the date of this Filing Statement, there are 565,200 Meteorite Options issued and outstanding, each Meteorite Option may be exercised to acquire one Meteorite Share at a price of \$0.15 per share with an expiry date of September 27, 2023, provided upon resignation of the directors and officers of Meteorite at the time of closing of the Qualifying Transaction, the expiry date of the Meteorite Options held by the resigned directors and officers of Meteorite will be adjusted to be the date that is 12 months after the date on which the Final Exchange Bulletin is issued by the TSXV in evidence of the final acceptance by the TSXV of the Qualifying Transaction.

Prior Sales

Since the date of incorporation, 7,065,000 Meteorite Shares have been issued as follows:

| Date of Issue | Number of Meteorite Shares | Aggregate Issue Price | Issue Price Per Meteorite Share | Nature of Consideration Received |
|--------------------|----------------------------|-----------------------|---------------------------------|----------------------------------|
| April 27, 2018 | 2,065,000 ⁽¹⁾ | \$154,875 | \$0.075 | Cash |
| September 14, 2018 | 5,000,000 | \$750,000 | \$0.15 | Cash |
| Total | 7,065,000 | \$904,875 | | |

Notes:

(1) Purchased by Non-Arm's Length Parties of Meteorite.

TSXV Price

The Meteorite Shares have been posted for trading on the TSXV since October 12, 2018 under the trading symbol "MTR.P". The trading of Meteorite Shares has been halted since May 19, 2020 pending completion of the Qualifying Transaction. The market price of the Meteorite Shares on the TSXV on May 15, 2020, the final day of trading immediately prior to the halt, was \$0.10. The following table sets forth certain trading information for Meteorite Shares on the TSXV for the periods noted below:

| Period | High | Low | Trading Volume |
|----------------|--------|---------|----------------|
| Q4 2018 | \$0.25 | \$0.13 | 278,300 |
| Q1 2019 | \$0.15 | \$0.055 | 38,335 |
| Q2 2019 | \$0.12 | \$0.11 | 60,000 |
| Q3 2019 | \$0.15 | \$0.10 | 59,432 |
| Q4 2019 | \$0.10 | \$0.10 | 1,500 |
| Q1 2020 | \$0.10 | \$0.05 | 8,000 |
| April 2020 | - | - | 0 |
| May 1-15, 2020 | - | - | 0 |

Interests of Insiders, Promoters and Control Persons

No Insider, Promoter or Control Person of Meteorite and their respective Associates and Affiliates (before giving effect to the Qualifying Transaction) have any interest in Sparkit Media.

Conflicts of Interest

Charles R. Spector, a proposed director of the Resulting Issuer, is a partner at the law firm of Dentons Canada LLP, which acts as legal counsel to Meteorite. There are otherwise no known conflicts of interest between any Insider, Promoter or Control Person of Meteorite and their respective Associates and Affiliates with respect to Sparkit Media or the Qualifying Transaction.

Non-Arm's Length Qualifying Transaction

It is the collective view of Meteorite and Sparkit Media that the proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Legal Proceedings

Meteorite has not been, and is not presently involved in, any legal proceedings and insofar as it is aware, no such proceedings are contemplated.

Auditor, Transfer Agents and Registrars

Auditor

The auditors of Meteorite are MNP LLP, Chartered Professional Accountants, located at 1155 René-Lévesque Blvd. West, 23rd floor, Montreal, QC H3B 2K2.

Transfer Agent and Registrar

Meteorite's transfer agent and registrar is AST Trust Company (Canada) located at 2001 Robert-Bourassa Blvd., Suite 1600, Montreal, QC H3A 2A6.

Material Contracts

Meteorite has not entered into any material contracts and is not expected to enter into any material contracts prior to the Closing, other than:

- (a) the agency agreement dated September 17, 2018, between Meteorite and the Agent in connection with Meteorite's IPO;
- (b) the Transfer Agent, Registrar and Disbursing Agent Agreement dated July 13, 2018, between Meteorite and AST Trust Company;
- (c) the Escrow Agreement dated July 13, 2018, among Meteorite, AST Trust Company and the founding shareholders of Meteorite;
- (d) the Agency Agreement;
- (e) the Acquisition Agreement; and
- (f) the Amalgamation Agreement.

Copies of the foregoing agreements will be available for inspection at the registered offices of Meteorite, 1 Place Ville Marie, Suite 3900, Montreal, Québec, H3B 4M7, during ordinary business hours, until the completion of the Qualifying Transaction and for a period of 30 days thereafter.

INFORMATION CONCERNING SPARKIT MEDIA

Corporate Structure

Sparkit Media is a corporation existing under the BCBCA and was incorporated pursuant to a certificate of incorporation issued under the BCBCA on August 21, 2013 under the name ‘Peepl Media Inc.’ The articles of incorporation were subsequently amended on October 30, 2015 to change the name from ‘Peepl Media Inc.’ to “Sparkit Media Inc.”

The head office and the registered office of Sparkit Media are located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

Intercorporate Relationships

As at the date of this Filing Statement, Sparkit Media has no subsidiaries.

General Development of the Business

History

Sparkit Media is a B2B technology company that was created to launch the first “Fan Directed Media Network” to allow Influencers (an individual with hundreds or thousands of followers on social media) to create engaging media content for fans to consume online. The primary focus of Sparkit Media is to facilitate the creation and delivery of sponsored campaigns of crowd sourced videos (called Sparks) from Influencers. Sparkit Media’s platform accelerates the process of turning this fan engagement with Influencers directly into social PR and sales conversions for e-commerce Brands, as well as providing real-time data and tracking tools to support Influencers and Brands in effectively engaging audiences to drive sales — all in one seamless solution.

Sparkit Media remained in research and development from its inception of 2014 through its beta launch with its strategic partner, ad agency Doyle Dane Bernbach Canada (“DDB Canada”), in Q4 of 2018. In 2019 the company continued developing its platform until its formal launch with a strategic account, Audible, an Amazon company (“**Audible**”). The company has earned over \$75,000 in revenue to date.

For the balance of this fiscal year, Sparkit Media intends to build on its relationship with Audible, as well as increase efforts in its outbound marketing to other e-commerce sellers.

Principal Services

Sparkit Media has one reportable operating segment, being the social media industry. Sparkit.buzz is an HTML 5 web site and social network that has the ability to overlay with an Influencer’s social media accounts. Sparkit.buzz’s overlay functionality means that Sparkit.com content can be shared simultaneously on other social networks when an Influencer posts to their Sparkit.buzz account. Sparkit intends to add overlay support for other social media sites in the future as sites become popular with sponsoring brands.

Sparkit.buzz allows Influencer to periodically post “Spark Set-ups” and “Sparks”. Spark Set-ups invite fans to interact with Influencers by answering a question or providing suggestions as to what action an Influencer should take, for example. Sparks, which are typically one to three minute videos, are the big reveal of how an Influencer either responded to a suggestion from a fan through Sparkit.buzz or otherwise incorporated a fan idea. Sparkit.buzz technology enables Influencers to curate the best ideas from fans, thereby giving their Sparks, the best chance to have an impact with fans on social media. Initially, the most active Influencers on Sparkit.buzz have been from the entertainment and music industry.

Sparkit.buzz is currently working with its partners to expand the number of Influencers and brands active on Sparkit.buzz. In addition, Sparkit Media is developing relationships with various television networks in the hopes such

networks will advertise on Sparkit.buzz and encourage Influencers affiliated with their networks to become active on Sparkit.buzz.

Influencers and their social media fans follow distinctive patterns of media consumption online which allows for the development of predictive statistical outcomes for advertisement engagement. Influencers often have a digital partner or digital teams who are very involved in posting to the Influencer's social media accounts, or at the very least holding their camera. Sparkit Media believes that an Influencer's primary reasons for being on any social media platform are to connect with existing fans, obtain new fans and/or to generate income.

Methods of Distribution/Principal Markets

Sparkit's principal market is companies that place considerable emphasis on digital or online marketing, on one or more of the large social media platforms. Sparkit distributes its services by forming engagements with both ends of the e-commerce - influencer marketing relationship: first, Sparkit contracts with an e-Seller for an ad campaign, and then in turn solicits marketing efforts from its deep pool of Influencers, in exchange for a portion of the ad spend. In essence, the Influencers compete for a stated "purse" that is funded by the e-Seller. Sparkit provides the technology that allows for the means and scoreboard by which this competition plays out over the major social media platforms.

Over the last two fiscal years, 100% of Sparkit's revenue has been derived from this category of services, and 100% of such sales were to customers other than investees or controlling securityholders.

Operations

Sparkit provides such services through the work of a relatively small team of contractors who design and maintain the technological platform. Sparkit has no material leases or mortgages, though it has previously leased space in a co-working space in downtown Vancouver. In light of the ongoing pandemic, Sparkit employees presently operate on a remote basis, and will continue to do so for the foreseeable future. Sparkit will evaluate on an ongoing basis whether to return to such space or to rent furnished meeting space, as needed.

Sparkit requires considerable software development talent to create, maintain and improve the platform upon which the Influencer sparks and related fan engagement occur and are measured. To date, Sparkit has assembled a solid and loyal team, each of whom operate at contractors to Sparkit. Sparkit has not, and does not envision, a circumstance where the requisite skill needed to operate would not be available to it.

Due to the nature of Sparkit's business, it has no real raw materials, component parts or finished products. Sparkit has no registered intangible property, although its software code, which creates its platform and allows for the measurement of influencer performance in terms of reach and ultimately sales, is proprietary. While not impossible to replicate, the time and cost of re-creating this work presents a formidable barrier to entry into this particular niche of the influencer marketing space.

Sparkit's revenue is not cyclical. However, as Sparkit's revenue is derived from other companies' online advertising expenditures, to the extent that such companies' ad spending patterns are seasonal, so to would be the revenue of Sparkit. For instance, increased spending during the Christmas holiday period, Super Bowl, Black Friday, and other high marketing-spend times would positively correlate to Sparkit revenue generation.

At present, Sparkit is in early-revenue stages, and it has placed considerable internal and external significance on its contract with Audible. While there is no reason to believe that a negative renegotiation or termination of this contract is likely, at this point either event would be materially detrimental to Sparkit.

There are no financial or operational effects of environmental protection requirements on the capital expenditures, earnings, or competitive position of Sparkit, in the current or future years.

As at the end of the last fiscal year, Sparkit had 0 employees, and 5 contractors.

There are no environmental regulations or controls on ownership or profit repatriation, or economic or political conditions that may materially affect Sparkit's operations.

There are no risks associated with foreign operations of Sparkit and no dependence of the segments upon foreign operations.

Market

Sparkit operates in the digital/online marketing segment, particularly in the realm of influencer marketing, presently in Canada, but future plans include US operations.

There are no market trends that would negatively affect Sparkit's ability to meet its targets. To the contrary, the rise of the influencer marketing ad spend is staggering, poised to reach up to \$15 billion by 2022¹, with many marketers now spending the majority of their budgets on influencers. In today's social-media driven economy, fans and consumers rely on the opinions and reputations of trusted Influencers as sources of guidance.

As traditional advertising techniques continue to lose effectiveness, native online advertising, and crowdsourced/user generated content are on the rise. These channels heavily rely on influencers (and their persuasion with fans) to work effectively. Sparkit takes advantage of this new fan-Influencer-brand relationship to drive online engagement and sales. Influencer marketing works because it's authentic. The key to influencer marketing is high-quality content that can be viewed, shared, repurposed and promoted via online campaigns. The content that influencers create to engage their fans is the currency that enables influencer marketing to thrive.

The Sparkit platform is a new technology eco-system that streamlines and accelerates the process of turning fan engagement (influence) into sales conversions for Brands that desperately seek to improve marketing ROI and prove attribution. Given Sparkit's relatively new entrance into the influencer marketing space, broad market acceptance does not yet exist. However, trial campaigns have been run for both DDB Canada and Audible, and the performance metrics and results were as forecast by Sparkit. Both of Audible and DDB Canada operate at arm's length to Sparkit, and have entered into these testing arrangements as a precursor to determining whether to enter into a larger and more comprehensive engagement with Sparkit.

Obsolescence is more of a factor for Sparkit competitors than for Sparkit. The limits of legacy online advertising have been reached. Internet users are fatigued by popups and banner ads, and countermeasures such as spam filters and blockers have degraded the effectiveness of email marketing. Click-throughs and trust for each of these marketing strategies are declining and fraud is escalating.

There are no material market controls or regulations within the market segment and or geographical area occupied by Sparkit that would affect the marketing of its products.

For seasonal variations, please see above re: seasonal variations in ad spends.

Marketing Plans and Strategies

Marketing efforts occur on a B2B level in two directions – business that advertise/sell online, and ad agencies with such businesses or online influencers as clients. Sales outreach from Sparkit is normally led by the founder and CEO, Clovis Najm, and Chief Marketing Officer, Leanne Pawluk. Efforts to identify, contact and arrange for introductory meetings and demos are constantly being made. Most marketing efforts include an initial outreach by email or telephone, with the hope of securing an introductory meeting, where the attributes of the Sparkit platform can be discussed and demonstrated. Relationships that progress beyond this stage often include a limited or small budget trial, where the performance and results of the platform can be verified. To date, all parties marketed to operate at arm's length to Sparkit.

¹ Source : <https://www.businessinsider.com/influencer-marketing-report>

As the platform is a B2B operation, marketing programs are more akin to rifle shots than shotgun blasts. Targets are identified, chosen and pursued with considerable care. While campaign trials generate some revenue, there is considerable client-specific coding and software integration that needs to take place for a trial to operate. To date, direct solicitation has proven to be the most effective marketing method.

The singular most significant expense of a marketing effort is the wage/contract cost of the Sparkit personnel undertaking the marketing calls, meetings and demonstrations.

The pricing policy of Sparkit is to base fees charged as a proportion of the client's campaign budget. Sparkit campaign budgets are called purse amounts. The campaign purse is syndicated to Influencers who are interested in increasing social engagement and generating a new revenue stream. Influencers are also given details on how they will be paid based on specific data points (click-through-rate, impressions, conversions etc.). Influencers who are first to respond to a campaign invitation and motivate fans to engage in the various marketing data points are then compensated accordingly.

A campaign purse is generally split as follows:

- 30-40% to Influencers
- 10% to Influencer Partner
- 10% for Brand Partner
- 5% for Association Referrals (e.g. TV Network)
- 35-45% Sparkit Revenue

Campaign purse amounts can range from \$10,000 - \$50,000 via an agency partner or directly from a brand such as Amazon. With the success of an initial campaign, Purse amounts can be announced as annual budgets (e.g. \$1 M purse available from Brand ABC).

After sales service, maintenance or warranties are not a significant competitive factor. However, once a purse is exhausted, clients are encouraged to re-up their budgets to maintain momentum and secure their connection with Influencers who are performing well for the campaign whether it be the performance-based group (low compensation) or the exclusive group (higher compensation).

Competitive Conditions

Though the online marketing industry is competitive, Sparkit believes it is uniquely positioned to thrive in comparison to the various categories of potential competitors, namely:

1. Video Platform Segment – e.g., YouTube, Vevo

The above-mentioned video platforms pay all content providers, with influencers tending to dominate the payouts. Whereas the ad model of both YouTube (traditional influencers) and Vevo (music only) is based on small percentages across millions of views, Sparkit's ad model is more targeted for content providers and thereby more efficient for influencers, as Sparkit influencers do not need to obtain millions of views to earn a payout.

2. Brand Endorsement Platforms – e.g., Julius, Klear, Upfluence

The above-mentioned platforms are influencer matchmaking services. They are non-exclusive, database driven contacts that brands can access in order to reach influencers with access to the consumers they wish to target. The relevant data comes from the social network Application Programming Interfaces. Influencers typically are members

with several of these services. Sparkit is a new model for influencers that drives both engagement and conversions for them, allowing brands to more effectively measure ROI.

3. Video Social Networks - e.g., Instagram, TikTok

Influencers use these social network applications to engage their fans. The applications do have some ad link services for brands that influencers can leverage. However, their click-through-rates are typically quite low and the ads typically do not generate enough volume to be a meaningful income for influencers. By driving a more targeted ad model, Sparkit can deliver meaningful sponsorship revenue to influencers across various social platforms.

Exclusive content (particularly user generated) is what fans desire the most, and Sparkit therefore continuously strives to enable crowd involvement and participation in creating exclusive content with their favorite Influencer. Concurrently, the ad experience across all social platforms is generally the same, delivering similar results.

With revenue sharing, Sparkit is reshaping the Influencer marketing business model and has delivered promising results in trial campaigns thus far. Management reasonably believes such performance will continue, creating stronger loyalty inside the Influencer community. Specifically, in two trial campaigns completed to-date, Sparkit ad technology has out-performed industry averages on the following metrics:

- 90% cost reduction on social videos
 - Industry average \$100 per 10K followers²
 - Sparkit average \$10 per 10K followers
- Click-through rate surpassing online ads
 - FB/Instagram/YouTube – 2-3%³
 - Sparkit 10% + click-through-rate
- Conversion rates above Industry average
 - Industry 9.2%⁴
 - Sparkit 10%+

All social media networks ask for user feedback in the form of “liking” or identifying “favorite” texts, pictures and videos. The behavior is well known among users but it does not provide meaningful information. Sparkit’s “Likes as Votes” framework delivers a new experience to fans while giving Influencer and Brands concrete data tied to needs, wants, and opinions of a large crowd over existing social media networks.

- Social media networks are designed for people with 250 friends. Custom features are not available for celebrities with 10,000+ followers. On contrast, Sparkit has developed features specifically for fans, celebrities and Brands to which other social media companies are unable to compete.
- Even though Sparkit is focused on an asynchronous video dialogue – not live – to reach a broader audience, its crowdsourcing capability is invaluable for decisions/opinions/choice. The decision-making process can be any format including text response, images, or video. The results of which have broad applications in sporting decisions, Brand development, politics, corporate governance, charitable causes, social causes etc.
- Spark alignment with Ad products are much stronger than traditional Ads since the Brand is involved in multiple points of the campaign resulting in a click-through-rate of 10% or more.

2 Source : <https://www.usatoday.com/story/tech/talkingtech/2019/07/10/how-much-money-could-you-make-as-youtube-instagram-influencer/1685467001/#:~:text=Influencers%20with%20up%20to%201.can%20charge%20%24100%2C000%20or%20more>

3 Source: <https://www.wordstream.com/blog/ws/2019/11/12/facebook-ad-benchmarks>

4 Source: <https://www.wordstream.com/blog/ws/2019/11/12/facebook-ad-benchmarks>

- 2020 has seen a sharp rise in the demand and desire for exclusive, user-generated content. The Sparkit framework is purpose-built to create dynamic, exclusive, user-generated content for fans who have a hand in creating it.

Competition

Without fan engagement there is no monetization through engagement advertising. Social media and specifically, Celebrity social media, is dominated by two different fan options:

1. Broadcast based social media
2. Celebrity or community based applications.

Broadcast based social media, such as Facebook and Twitter have millions of fans for celebrities to engage with, but for the fans, the direct connection with a Celebrity or ability to impact what they consume from a Celebrity is limited. In addition, Facebook and Twitter do not share revenue with Celebrities and in the case of Facebook, Celebrities may actually be charged to send messages to their own fans.

Celebrity or community based applications are applications, typically mobile, that Celebrities are either hired to endorse or Celebrities end up involved with because they are promoted by an event such as a concert. Some of these community based applications do have revenue generating options for Celebrities if they are able to attract their fans to them, but unlike social media channels these applications have a massive sign-up hurdle that can be challenging for consumers to overcome. Low consumer adoption means the advertising revenue possible to share with Celebrities is low.

Competitive Advantages and Long Term Differentiators

1. Sparkit utilizes a unique propriety approach to collect and rate feedback over social media that facilitates the delivery of engaging media to fans.
2. Typical social media sites do not have a business partnership in place with influencers (i.e., celebrities). Sparkit can have a business partnership with the largest influencers in social media through sharing revenue from advertisements with celebrities. Management of Sparkit believes this provides a unique opportunity for celebrities to monetize their social media presence and will help Sparkit attract celebrities to Sparkit.com, which in turn will attract fans and generate advertising revenue.
3. Sparkit is able to provide advertisers with access to a highly engaged audience and an ability to put themselves in a tight circle between the fans and the celebrities in a way that is not currently available over social media.

Proprietary Protection

Sparkit's intellectual property strategy is to obtain trademarks and patents on brands, methods, technology, software and business methods it develops in the general course of business and through research and development efforts. Sparkit does not currently have any registered patents, trade marks or copyright and has not made applications to register the same.

Future Developments

The majority of Sparkit's development efforts are expected to focus on software development that will improve the metrics for Sparkit.com, such as fan response rate, sharing, advertising engagement and celebrity response rates.

Sparkit is both a network for Influencers and a platform from which they can engage and connect with other social networks on behalf of brand sponsors. The platform portal can be made widely accessible within an organization and is built on Amazon Web Services so it can scale quickly with broad demand. Unlike a typical social network that often goes directly to brand clients, Sparkit has focused on ensuring that everyone active on the Sparkit network and platform have come via its agency partner programs for Influencers and brand clients. It is not uncommon for a brand to have a roster of Influencers they wish to bring to Sparkit, nor is it uncommon for an Influencer agency to have a

brand client they wish to activate on Sparkit. Both use cases have been considered in future platform development. Sparkit is currently in the last stages of full automation of campaign set-up, management and growth.

Selected Financial Information

The following table sets out certain selected financial information of Sparkit Media summarized from its audited financial statements for the years ended December 31, 2018 (“**Fiscal Year 2018**” or “**FY 2018**”) and December 31, 2019 (“**Fiscal Year 2019**” or “**FY 2019**”) and its unaudited financial statements for the six-month period ended June 30, 2020. This selected financial information has been derived from and should be read in conjunction with Sparkit Media’s financial statements for FY 2019 and for the six-month period ended June 30, 2020, which are attached to this Filing Statement as Schedules “E” and “G”.

| | For Six Months Ended June 30, 2020 | For Fiscal Year Ended December 31, 2019 (audited) | For Fiscal Year Ended December 31, 2018 (audited) |
|--------------------------------|---|--|--|
| Revenue | \$7,863 | \$0 | \$25,364 |
| Loss from operations | (\$190,914) | (\$330,140) | (\$362,100) |
| Net and comprehensive loss | (\$458,675) | (\$794,653) | (\$445,572) |
| Total assets | \$25,590 | \$260 | \$2 |
| Total current liabilities | \$468,787 | \$1,600,704 | \$1,291,477 |
| Long-term liabilities | \$0 | \$0 | \$0 |
| Cash dividends declared | \$0 | \$0 | \$0 |
| Shareholder’s equity (deficit) | (\$443,197) | (\$1,600,444) | (\$1,291,475) |

Management’s Discussion and Analysis

Sparkit is in the business of Influencer marketing. A relatively recent broad marketing term, Influencer marketing has grown from the construct of social media networks and certain individuals amassing larger than personal followings, eg. over 1,000 followers. There are various levels that are used for reference, “micro” Influencer, <1,000 followers; “traditional” Influencer, > 10,000, but most in the space that focus on being an Influencer full time have over 10,000 followers on any one social platform, eg. YouTube, Instagram, TikTok, Facebook, and Twitter.

Sparkit sits in between other networks as a platform, but has a network experience to and from Influencers with their fans. It utilizes the other networks to provide the crowd and then with its own crowd sourcing technology, increases the engagement from the Influencers over a given period of time. A hybrid of a sponsorship and digital advertising component is utilized to both expand the revenue of Sparkit and the awareness of its network capabilities. At this point Sparkit’s revenue drives its engagement and therefore awareness among its future Influencer and brand partners.

To date Sparkit has generated minimal revenue, as it has existed primarily in the research and development and testing states. Sparkit is just now poised to become revenue-generating in a material way. Sparkit will acquire its revenue from brand partners who are connected to brand accounts and involved either directly or indirectly in the brand clients Influencer marketing strategy. Once a test budget is obtained Sparkit then either uses its existing Influencer partner database or partners with an Influencer agency (eg. Music Management Company), who has access to several influencers in a given market. Sparkit campaigns are very low impact on the fanbase of an Influencer and in many situations have been known to expand the popularity of its influencers, therefore they are able to continue campaigns with brand for a much longer period vs traditional Influencer campaigns that exhaust the fanbase of an Influencers.

At this time, Sparkit is working with a client direct, who is the global leader in e-commerce. They have thousands of brands within their network and also have the ability to resell Sparkit if desired, to other brands. Currently, Sparkit is expanding both its delivery of service and integration into its large client to expand both awareness and revenue.

Trends

Other than as disclosed in this Filing Statement, the directors and officers of Sparkit do not know of any trend, commitment, event or uncertainty that is both known and reasonably expected to have a material effect on Sparkit's business, financial condition or results of operations.

Description of Securities

The authorized share capital of Sparkit Media consists of an unlimited number of Sparkit Media Shares and an unlimited number of preference shares, issuable in series. As at the date of this Filing Statement, there are 227,880,181 Sparkit Media Shares, nil preference shares, nil Sparkit Media Options and nil Sparkit Media Warrants issued and outstanding.

Sparkit Media Shares

Each Sparkit Media Share carries the right to one vote at all meetings of shareholders of Sparkit Media. There are no special rights or restrictions of any nature attaching to the Sparkit Media Shares. All Sparkit Media Shares rank equally as to voting powers, dividends and participation in assets upon liquidation of Sparkit Media.

Consolidated Capitalization

The following table summarizes Sparkit Media's consolidated capitalization as at June 30, 2020 and as at the date of this Filing Statement. The table should be read in conjunction with the financial statements of Sparkit Media including the notes thereto, included elsewhere in this Filing Statement.

| Description | Amount Authorized | Amount outstanding as at June 30, 2020 | Amount outstanding as at the date hereof |
|------------------------|--------------------------|---|---|
| Sparkit Media Shares | Unlimited | 227,880,181 | 227,880,181 |
| Sparkit Media Options | N/A | Nil | Nil |
| Sparkit Media Warrants | N/A | Nil | Nil |
| Retained Earnings | N/A | (3,895,961) | (3,895,961) |

Prior Sales

There is no public market for the Sparkit Media Shares. Since June 30, 2019, Sparkit Media securities have been issued as follows:

| Date | Number of Securities ⁽¹⁾ | Issue/Exercise Price Per Security | Aggregate Issue Price |
|------------|-------------------------------------|-----------------------------------|-----------------------|
| 10/31/2019 | 18,662,200 | \$0.01 | \$186,622.00 |
| 10/31/2019 | 2,100,000 | \$0.01 | \$21,000.00 |
| 03/01/2020 | 1,221,666 | \$0.03 | \$36,650.00 |
| 03/31/2020 | 166,667 | \$0.10 | \$17,046.00 |
| 06/01/2020 | 1,200,000 | \$0.00001 | \$12.00 |
| 06/01/2020 | 8,908,067 | \$0.015 | \$133,621.00 |
| 06/01/2020 | 12,786,600 | \$0.015 | \$191,799.00 |
| 06/01/2020 | 1,333,333 | \$0.015 | \$20,000.00 |
| 06/01/2020 | 2,283,333 | \$0.015 | \$34,250.00 |
| 06/01/2020 | 3,333,333 | \$0.015 | \$50,000.00 |
| 06/01/2020 | 2,000,000 | \$0.05 | \$100,000.00 |
| 06/01/2020 | 1,146,667 | \$0.015 | \$17,200.00 |
| 06/01/2020 | 416,667 | \$0.015 | \$6,250.00 |
| 06/01/2020 | 2,000,000 | \$0.05 | \$100,000.00 |
| 06/01/2020 | 8,000,000 | \$0.05 | \$400,000.00 |
| 06/01/2020 | 7,680,000 | \$0.015 | \$115,200.00 |
| 06/01/2020 | 297,434 | \$0.19 | \$56,982.00 |
| 06/01/2020 | 2,183,548 | \$0.09 | \$188,000.00 |

(1) None of the securities of Sparkit Media are listed on any stock exchange

Executive Compensation

Compensation Discussion and Analysis

Sparkit does not have in place any formal executive compensation program, nor does it have in place any formal objectives or criteria.

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, and provides details of all compensation for each of the directors and Named Executive Officers of Sparkit Media for the six-month period ended June 30, 2020 and year ended December 31, 2019.

As of July 1, 2020, Sparkit Media had five NEOs: (i) Clovis Najm, Chief Executive Officer and Director, (ii) Murray Ovens, Chief Financial Officer, (iii) Michelle Kitchen, Chief Operating Officer (iv) Leanne Pawluk, Chief Marketing Officer and (v) Mark Allen, Chief Technology Officer. There were no other executive officers of Sparkit Media.

Director and Named Executive Officer Compensation – Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Sparkit Media to each current and former NEO and director, in any capacity, for the six-month period ended June 30, 2020 and year ended December 31, 2019.

| Name and position | Period Ended | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|--|-------------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Clovis Najm (Chief Executive Officer and Director) | June 30, 2020 | \$58,778 | N/A | N/A | N/A | N/A | \$58,778 |
| | December 31, 2019 | \$74,383 | N/A | N/A | N/A | N/A | \$74,383 |
| Murray Ovens (Chief Financial Officer) | June 30, 2020 | \$6,663 | N/A | N/A | N/A | N/A | \$6,663 |
| | December 31, 2019 | Nil | N/A | N/A | N/A | N/A | Nil |
| Michelle Kitchen (Chief Operating Officer) | June 30, 2020 | \$8,682 | N/A | N/A | N/A | N/A | \$8,682 |
| | December 31, 2019 | \$6,750 | N/A | N/A | N/A | N/A | \$6,750 |
| Leanne Pawluk (Chief Marketing Officer) | June 30, 2020 | \$16,505 | N/A | N/A | N/A | N/A | \$16,505 |
| | December 31, 2019 | \$17,150 | N/A | N/A | N/A | N/A | \$17,150 |
| Mark Allen (Chief Technology Officer) | June 30, 2020 | \$18,121 | N/A | N/A | N/A | N/A | \$18,121 |
| | December 31, 2019 | Nil | N/A | N/A | N/A | N/A | Nil |

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by Sparkit Media for services provided or to be provided, directly or indirectly, to Sparkit Media for the six-month period ended June 30, 2020.

| Name and position | Period Ended | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion, or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
|--|-------------------|-------------------------------|---|------------------------|---|--|---|-------------|
| Clovis Najm (CEO and Director) | June 30, 2020 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | December 31, 2019 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Murray Ovens (Chief Financial Officer) | June 30, 2020 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

| Name and position | Period Ended | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion, or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
|--|-------------------|-------------------------------|---|------------------------|---|--|---|-------------|
| | December 31, 2019 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Michelle Kitchen (Chief Operating Officer) | June 30, 2020 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | December 31, 2019 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Leanne Pawluk (Chief Marketing Officer) | June 30, 2020 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | December 31, 2019 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Mark Allen (Chief Technology Officer) | June 30, 2020 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | December 31, 2019 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

The following table sets out all compensation securities exercised by each NEO and director during the six months ended June 30, 2020 and year ended December 31, 2019.

| Name and position | Type of compensation security | Number of underlying securities exercised | Exercise price per security (\$) | Date of exercise | Closing price of security or underlying security on date of exercise (\$) | Difference between exercise price and closing price on date of exercise (\$) | Total value on exercise date (\$) |
|--|-------------------------------|---|----------------------------------|------------------|---|--|-----------------------------------|
| Clovis Najm (CEO and Director) | Stock options | N/A | N/A | N/A | N/A | N/A | N/A |
| Murray Ovens (Chief Financial Officer) | Stock options | N/A | N/A | N/A | N/A | N/A | N/A |
| Michelle Kitchen (Chief Operating Officer) | Stock options | N/A | N/A | N/A | N/A | N/A | N/A |
| Leanne Pawluk (Chief Marketing Officer) | Stock options | N/A | N/A | N/A | N/A | N/A | N/A |
| Mark Allen (Chief Technology Officer) | Stock options | N/A | N/A | N/A | N/A | N/A | N/A |

Stock Option Plans and Other Incentive Plans

Sparkit Media had in place a Stock Option Plan which will be replaced by the Meteorite Stock Option Plan. See “*Information Concerning Meteorite – Stock Option Plan and Options Granted*” above for further details.

Employment, Consulting and Management Agreements

Sparkit entered into a management consulting agreement in approximately April of 2015, with Clovis Najm. The term of this agreement is indefinite. Clovis Najm’s compensation under the agreement has been dependent upon available cash in Sparkit, but has historically ranged from approximately \$60,000 to \$80,000 per year. Clovis Najm generally provides the tools and incurs the expenses required for the performance of his contract. The parties expect that on closing of the Qualifying Transaction, this agreement will be terminated and replaced with an employment agreement on such terms as the parties may agree, but that will be generally commensurate with those of an early stage tech company.

Sparkit entered into a management consulting agreement in approximately January of 2018, with Murray Ovens. The term of this agreement is indefinite. Murray Ovens’s compensation has historically ranged from approximately \$20,000 to \$30,000 per year. Murray Ovens provides the tools and Sparkit reimburses him for reasonable out-of-pocket expenses incurred in the performance of his contract. The parties expect that on closing of the Qualifying Transaction, this agreement will be terminated and replaced with an employment agreement on such terms as the parties may agree, but that will be generally commensurate with those of an early stage tech company.

Director Compensation

The sole director of Sparkit is Clovis Najm. Mr. Najm did not receive additional compensation for serving as a director of Sparkit.

The Resulting Issuer’s compensation arrangements for its directors and officers, may, in addition to salary, include compensation in the form of bonuses upon the achievement of certain milestones and the granting of stock options. The compensation policy of the Resulting Issuer may be re-evaluated in the future to emphasize increased base salaries and/or cash bonuses with a reduced reliance on option awards, depending upon the future development of Sparkit Media and other factors which may be considered relevant by the Resulting Issuer Board, from time to time.

Non-Arm’s Length Party Transactions

There has been no acquisition of assets or services or provision of assets or services in any transaction within the five years before the date of this Filing Statement, or in any proposed transaction, where Sparkit has obtained such assets or services from: (a) any director, officer or promoter of Sparkit; (b) a securityholder disclosed in the Filing Statement as a principal securityholder, either before or after giving effect to the Transaction; or (c) an Associate or Affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above.

See “*General Development of the Business*”, “*General Development of the Business – Financings*” and “*Executive Compensation – Management Contracts*” above for further details.

Legal Proceedings

Other than as set out below, Sparkit Media is not party to or the subject matter of any material legal proceedings and to the best knowledge of Sparkit Media, no such legal proceedings are contemplated.

Sparkit has an outstanding debt with the Canada Revenue Agency totaling \$184,488.00. Sparkit has made regular payments on this debt and continues an open dialogue surrounding full repayment.

Material Contracts

In the two years prior to the date of this Filing Statement, Sparkit has not entered into any material contracts, other than contracts entered into in the ordinary course of business, and is not expected to enter into any material contracts prior to the Closing, other than:

- (a) the master services agreement dated December 19, 2019, between Sparkit and Audible relating to influencer campaigns to be managed by Sparkit for Audible; and
- (b) the Acquisition Agreement.

Copies of the above agreement may be inspected without charge at Sparkit Media's head office during normal business hours prior to the completion of the Qualifying Transaction and for a period of 30 days thereafter.

INFORMATION CONCERNING THE RESULTING ISSUER

Name and Incorporation

Following completion of the Qualifying Transaction, the Resulting Issuer will carry on the business of Sparkit Media under the corporate name of “Sparkit Technologies Inc.”. The head office and registered office of the Resulting Issuer will be located at 725 Granville St #400, Vancouver, BC V7Y 1G5.

Intercorporate Relationships

Pursuant to the Amalgamation, Sparkit Media will amalgamate with Subco to form Amalco, which will be a wholly-owned subsidiary of Meteorite. Meteorite will change its name to “Sparkit Technologies Inc.” and, upon completion of the Qualifying Transaction, Amalco will be the only direct subsidiary of the Resulting Issuer.

Narrative Description of the Business

The Resulting Issuer will, through its wholly-owned subsidiary, Sparkit Technologies Inc., carry on the business currently carried on by Sparkit Media. See “*Information Concerning Sparkit – General Development of the Business*”.

Upon completion of the Qualifying Transaction, the Resulting Issuer Board will adopt such board committee charters, codes and policies as it deems necessary in accordance with good corporate governance practices given the stage of the Resulting Issuer.

Business Objectives and Milestones of the Resulting Issuer

Following completion of the Amalgamation, the Resulting Issuer’s strategy will be to create shareholder value by achieving the following milestones:

| Time Frame and Milestone | Estimated Associated Costs |
|--|-----------------------------|
| Q4 2020 | |
| Expand required influencer partners | \$80,500 ⁽¹⁾⁽²⁾ |
| Expand brand portal within strategic brand partner accounts | \$62,500 ⁽¹⁾⁽²⁾ |
| 2021 | |
| Expand international within strategic brand partner accounts | \$159,500 ⁽¹⁾⁽²⁾ |
| Expand international influencer partners | \$159,500 ⁽¹⁾⁽²⁾ |
| Develop API (Application Programming Interface) strategy | \$341,000 ⁽¹⁾⁽²⁾ |
| 2022 | |
| Scale Influencer and Brand Business | \$468,000 |
| Expand Strategic License and API Strategy | \$720,000 |

(1) Funds allocated in part from “Marketing” budget outlined in “Principal Uses of Available Funds” table

(2) Funds allocated in part from “Sales and Development” budget outlined in “Principal Uses of Available Funds” table

See “*Information Concerning the Resulting Issuer – Resulting Issuer Available Funds and Principal Purposes*”.

Description of Resulting Issuer Securities

The authorized share capital of the Resulting Issuer following completion of the Qualifying Transaction shall consist of an unlimited number of Resulting Issuer Shares. The issued share capital of the Resulting Issuer will change as a result of (i) the Offering; and (ii) the consummation of the Amalgamation to reflect the issuance of the Resulting Issuer Shares contemplated under the Amalgamation.

Following completion of the Qualifying Transaction, the Resulting Issuer Shares are expected to be listed on the TSXV under the trading symbol “SPRK”.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share capital of the Resulting Issuer, on a consolidated basis, after giving effect to the Qualifying Transaction and the Offering:

| Designation of Security | Number Authorized or to be Authorized | Number Outstanding Prior to Giving Effect to the Qualifying Transaction ⁽¹⁾ | Number Outstanding After Giving Effect to the Qualifying Transaction ⁽¹⁾ | Number Outstanding After Giving Effect to the Offering (Minimum Subscription) ⁽¹⁾ | Number Outstanding After Giving Effect to the Offering (Full Subscription) ⁽¹⁾ |
|---------------------------|---------------------------------------|--|---|--|---|
| Resulting Issuer Shares | Unlimited | 7,065,000 | 29,283,318 | 38,746,651 | 39,857,762 |
| Resulting Issuer Options | (2) | 565,200 | 565,200 | 565,200 | 565,200 |
| Resulting Issuer Warrants | | 500,000 | 500,000 | 5,300,001 | 5,900,000 |

(1) Subject to minor deviation as a result of the effect of rounding at the individual shareholder level.

(2) Such total shall be equal to 10% of all issued and outstanding Resulting Issuer Shares, less the number of outstanding Resulting Issuer Options upon Closing.

Fully Diluted Share Capital

Set out below is a table indicating the number of Resulting Issuer securities expected to be outstanding on a fully-diluted basis after giving effect to the Qualifying Transaction and the Offering and the percentage of the fully-diluted shares which each category represents.

| Resulting Issuer Pro Forma Shareholdings | Resulting Issuer Shares (Minimum Subscription of the Offering) ⁽¹⁾⁽²⁾ | Resulting Issuer Shares (Full Subscription of the Offering) ⁽¹⁾⁽²⁾ |
|--|--|---|
| Resulting Issuer Shares held by existing Meteorite Shareholders: | 7,065,000 (15.58%) | 7,065,000 (14.99%) |
| Resulting Issuer Shares to be exchanged for Sparkit Media Shares: | 22,218,318 (49.02%) | 22,218,318 (47.15%) |
| Resulting Issuer Shares to be issued as Finder Shares | 574,444 (1.27%) | 574,444 (1.22%) |
| Resulting Issuer Shares to be issued in connection with the Offering | 8,888,889 (19.61%) | 10,000,000 (21.22%) |
| Total non-diluted share capital of the Resulting Issuer: | 38,746,651 | 39,857,762 |
| Resulting Issuer Shares Issuable to Holders of | | |
| Meteorite Options ⁽³⁾ | 565,200 (1.25%) | 565,200 (1.19%) |
| Meteorite Broker Warrants | 500,000 (1.10%) | 500,000 (1.06%) |
| Meteorite Warrants | 4,444,445 (9.81%) | 5,000,000 (10.61%) |
| Meteorite Unit Broker Warrants | 1,066,667 (2.35%) | 1,200,000 (2.55%) |
| Total fully diluted capital of the Resulting Issuer: | 45,322,963 | 47,122,962 |

(1) All percentages expressed on a fully diluted basis

(2) Subject to minor deviation as a result of the effect of rounding at the individual shareholder level.

(3) Depending on whether the minimum or maximum subscription amounts of the Offering are met, an additional 3,309,465 (in the case of the minimum) or 3,420,576 (in the case of the maximum) additional Resulting Issuer Shares will be reserved for issuance under the Resulting Issuer Option Plan. Such reserved total shall at all times be equal to 10% of all issued and outstanding Resulting Issuer Shares, less the number of Resulting Issuer Options then outstanding.

Resulting Issuer Available Funds and Principal Purposes

The following table sets out the estimated funds available to the Resulting Issuer after giving effect to the Qualifying Transaction and the Offering as at the dates indicated.

| Source of Funds | Following Completion of the Qualifying Transaction and the Offering (Minimum Subscription) | Following Completion of the Qualifying Transaction and the Offering (Full Subscription) |
|--|--|---|
| Estimated Meteorite working capital as at October 31, 2020 | \$436,131 ⁽¹⁾ | \$436,131 ⁽¹⁾ |
| Estimated Sparkit Media working capital as at October 31, 2020 | \$(560,833) ⁽²⁾ | \$(560,833) ⁽²⁾ |
| Net proceeds of the Offering | \$1,840,000 ⁽³⁾ | \$2,070,000 ⁽⁴⁾ |
| Total available funds: | \$1,715,298 | \$1,945,298 |

(1) Includes the finance fee of \$40,000 to the Agent and approximately \$150,000 in legal and accounting fees already disbursed in connection with the Qualifying Transaction.

(2) Includes an outstanding debt with the Canada Revenue Agency totaling \$184,488.

(3) After deducting the Cash Commission of approximately \$160,000.

(4) After deducting the Cash Commission of approximately \$180,000.

The following table sets out the proposed use of the available funds by the Resulting Issuer after giving effect to the Qualifying Transaction and the Offering.

| Principal Uses of Available Funds ⁽¹⁾⁽²⁾ | Following Completion of the Qualifying Transaction and the Offering (Minimum Subscription) | Following Completion of the Qualifying Transaction and the Offering (Full Subscription) |
|---|--|---|
| Administration | \$585,140 | \$585,140 |
| Development | \$352,940 | \$352,940 |
| Public relations | \$56,000 | \$56,000 |
| Sales and marketing | \$457,560 | \$457,560 |
| Equipment | \$20,000 | \$20,000 |
| Unallocated working capital | \$243,658 | \$473,658 |
| Total uses of funds: | \$1,715,298 | \$1,945,298 |

(1) It is expected that the Resulting Issuer will have negative cash flow and has limited revenue history.

(2) It is expected that until its revenue grows, the Resulting Issuer will fund negative cash flow from operating activities in future periods from the proceeds of the Offering.

Selected Pro Forma Financial Information

The following table sets out a summary of selected pro forma financial information for the Resulting Issuer as at June 30, 2020 after giving effect to the Qualifying Transaction and the Offering and should be read in conjunction with the pro forma financial statements and the notes thereto for the Resulting Issuer attached hereto as Schedule "I":

| Balance Sheet Data | As at June 30, 2020 |
|----------------------|---------------------|
| Current Assets | \$1,958,006 |
| Total Assets | \$1,958,006 |
| Current Liabilities | (\$413,501) |
| Total Liabilities | (\$413,501) |
| Shareholders' Equity | \$1,544,505 |

Dividend Policy

There will be no restrictions in the Resulting Issuer's articles or other constating documents that could prevent the Resulting Issuer from paying dividends. However, it is not contemplated that any dividends will be paid on any Meteorite Shares in the immediate future. The Resulting Issuer Board will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the time.

Resulting Issuer Principal Securityholders

To the knowledge of management of Meteorite and Sparkit Media, no securityholder is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the Qualifying Transaction and the Offering (on either a non-diluted or fully-diluted basis), other than the following individuals:

| Name and Municipality of Residence | Number (and Percentage) of Resulting Issuer Shares Owned or Controlled ⁽¹⁾⁽²⁾ |
|--|--|
| Clovis Najm, Vancouver, British Columbia | 8,935,570 (22.42%) |
| Gabriel Albarian Jr., Los Angeles, California | 6,506,007 (16.32%) |

(1) Assumes full subscription of the Offering

(2) On a non-diluted basis

Resulting Issuer Officers, Directors and Promoters

Name, Address, Occupation and Resulting Issuer Security Holdings

The following table sets out (a) the name and municipality of each person proposed as a director or an officer of the Resulting Issuer, or a promoter of the Resulting Issuer, (b) all positions and offices in the Resulting Issuer to be held by such person, (c) the principal occupation(s) during the preceding five years, (d) the period during which such person has served as a director or officer of Sparkit Media or Meteorite, and (e) the number and percentage of Resulting Issuer Shares to be beneficially owned by such person, directly or indirectly, or over which control or direction will be exercised, as of the date of the Amalgamation.

| Name and Municipality of Residence | Principal Occupations for the Previous Five Years | Positions and Offices with the Resulting Issuer | Director/ Officer Since | Number (and Percentage) of Resulting Issuer Shares Owned or Controlled ⁽¹⁾⁽²⁾ |
|---|--|---|-------------------------|--|
| Clovis Najm, Vancouver, British Columbia | Chief Executive Officer of Sparkit Media. | President, Chief Executive Officer and Director | 2013 | 8,935,570 (22.42%) |
| Murray Ovens Vancouver, British Columbia | Chief Financial Officer of Sparkit Media. | Chief Financial Officer and Corporate Secretary | 2018 | Nil |
| Michelle Kitchen Vancouver, British Columbia | Chief Operating Officer of Sparkit Media Executive Vice-President at DDB Canada (2011-2018) | Chief Operating Officer | 2018 | Nil |

| Name and Municipality of Residence | Principal Occupations for the Previous Five Years | Positions and Offices with the Resulting Issuer | Director/ Officer Since | Number (and Percentage) of Resulting Issuer Shares Owned or Controlled ⁽¹⁾⁽²⁾ |
|---|--|---|-------------------------|--|
| Leanne Pawluk Summerland, British Columbia | Chief Marketing Officer of Sparkit Media. | Chief Marketing Officer | 2014 | 195,000 (0.49%) |
| Mark Allen Vancouver, British Columbia | Chief Technology Officer of Sparkit Media Director of Engineering at Tigera Canada (February – October 2019) Senior Engineering Manager at Hootsuite (2014-2019) | Chief Technology Officer | 2019 | Nil |
| Lisa Dea Vancouver, British Columbia | Chief Financial Officer of Latitude Health Sciences Inc. | Proposed Director | N/A | 39,000 (0.09%) |
| Charles R. Spector Westmount, Quebec | Partner at Dentons Canada LLP (law firm) | Proposed Director | N/A | 413,000 (1.04%) |

(1) Assumes full subscription of the Offering

(2) On a non-diluted basis

For particulars of the occupations of the directors and officers see “*Information Concerning the Resulting Issuer – Resulting Issuer Officers, Director and Promoters – Biographical Information*” below.

All directors of the Resulting Issuer will hold office until the next annual general meeting of the Resulting Issuer unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer in accordance with applicable law.

The directors and officers of the Resulting Issuer as a group will own, directly or indirectly, or exercise control or direction over, 9,387,570 Resulting Issuer Shares (representing 23.59% of all of the issued and outstanding Resulting Issuer Shares on a non-diluted basis).

Biographical Information

The following is a brief description of each of the proposed directors and officers of Meteorite (including details with regard to their principal occupations for the last five years).

Clovis Najm, (47) – proposed Chief Executive Officer and Director

Clovis Najm is currently the President, Chief Executive Officer and a director of Sparkit Media Inc. and will continue in these positions with the Resulting Issuer. Mr. Najm is responsible for the strategy, team and growth of Sparkit. Having created three companies, and completed one full acquisition to date, Mr. Najm is familiar with developing new technologies that break into new markets. Past commercialization includes tech-heavy organizations such as the United States Navy and Cisco Systems. Ad technology brands have included Pizza Hut, Dairy Queen and Shaw Media in Canada.

Murray Ovens, (58) – proposed Chief Financial Officer and Corporate Secretary

Mr. Ovens, CPA, CGA, is currently responsible for the financial operations of Sparkit. With 35 years experience in his field, Mr. Ovens has acted as controller, analyst and CFO for various companies and is familiar with the operational processes required for stewardship of company assets. Successful startup exits include Entirenet LLC and NowPublic Technologies Inc.

Michelle Kitchen, (56) – proposed Chief Operating Officer

Having spent 25 years in the marketing industry, Ms. Kitchen has held business and operational leadership roles at global advertising and communications agencies. Her experience spans across an array of sectors including automotive, consumer packaged goods, fashion, financial, hospitality, retail, telecommunications, and travel & tourism. Highlights of Ms. Kitchen's career include business leadership of the global efforts of both Destination Canada and Rocky Mountaineer to promote travel to Canada, the launch of Nordstrom into Canada, stewarding the Volkswagen brand and leading acclaimed brand launches such as ING DIRECT and Air Miles, both reinventing their categories and utilizing Canada as their foray into the global market.

Leanne Pawluk, (54) – proposed Chief Marketing Officer

A marketing professional with over 20 years of consulting experience, Ms. Pawluk specializes in brand and marketing strategy, public relations, eCommerce and communications. Ms. Pawluk's eclectic career runs the gamut from orchestrating million-dollar publicity stunts for Silicon Valley tech darlings to writing speeches delivered at The White House to coordinating pro bono PR for Steven Spielberg's Starlight Foundation. Marquee clients include Adobe, Levi Strauss, The Gap, IBM, American Express, DOJ, Canadian Cancer Foundation, and MIT NY Entrepreneur Forum.

Mark Allen, (49) – proposed Chief Technology Officer

Mark Allen is a seasoned IT veteran with over 20 years of experience in building software applications for startups in both social media and eCommerce. His specialty is technology innovation particularly with early stage companies. Mr. Allen had hands-on experience in working with social media platforms and large-scale SAAS applications while at Hootsuite. As a senior engineering leader, Mr. Allen has created and managed software engineering teams up to 50 people and been responsible for high-availability SAAS websites.

Lisa Dea, (50) – Proposed Director

Lisa Dea, Chief Financial Officer of Latitude Health Sciences Inc. has been asked to accept the role of a director and Chair of the Audit Committee of the Resulting Issuer. Ms. Dea, CPA, CA has over 19 years of experience in the finance, securities and accounting fields. Ms. Dea has been the CFO of several TSX listed companies where she was responsible for corporate strategy, all aspects of finance and legal, debt and capital market activities, managing banking relationships with US, Canadian and International banks, internal and external public reporting, financial controls, processes and corporate governance. She has been instrumental in helping several companies grow from the development stage to large-scale commercial operations. Ms. Dea, previous to her time in industry, spent eleven years at Deloitte & Touche LLP, achieving the position of Senior Manager. Ms. Dea obtained her Chartered Accountants designation in 1997 and holds a BComm from the University of British Columbia.

Charles R. Spector, (62) – proposed Director

Charles Spector is a corporate finance, M&A and securities lawyer with over 30 years of experience. Mr. Spector has previously acted as director of a TSX-listed company from 1996 through 2010 and regularly advises public companies on securities, M&A and corporate finance. He is currently a partner in the Montreal office of Dentons Canada LLP and is the National Corporate Practice Group Leader for the Canada Region. Charles holds a B.A. degree from McGill University, a law degree (L.L.B.) from Université de Sherbrooke and a Masters of Law (L.L.M.) from Columbia University in New York. He has been a member in good standing of the Barreau du Québec since 1986.

Cease Trade Orders or Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, and no securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has, within the last ten years prior to date of this Filing Statement, (a) been a director, an officer or a promoter of any person or company that, while such person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities law for a period of more than 30 consecutive days; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

No proposed director, officer, promoter or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder making a decision about the Qualifying Transaction.

Personal Bankruptcies

In the 10 years prior to the date hereof, none of the proposed directors, officers or promoters of the Resulting Issuer or any securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Committees

Initially, the only committees of the proposed Resulting Issuer Board will be an Audit Committee (the “**Audit Committee**”) and a Compensation, Nominating and Governance Committee (the “**Governance Committee**”).

Upon completion of the Qualifying Transaction, the Audit Committee is expected to be comprised of Lisa Dea (Chair), Clovis Najm and Charles R. Spector. As defined by NI 52-110, other than Clovis Najm, each Audit Committee member is “independent” within the meaning of NI 52-110. Clovis Najm is not independent as a result of his position as Chief Executive Officer of the Resulting Issuer. Each Audit Committee member is “financially literate”, within the meaning of NI 52-110 and possesses education or experience that is relevant for the performance of their responsibilities as an Audit Committee member. See “*Information Concerning the Resulting Issuer – Resulting Issuer Officers, Director and Promoters – Biographical Information*” above.

The mandate of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Resulting Issuer. The Audit Committee will be responsible for: conducting reviews and discussions with management and the external auditors relating to the audit and financial reporting; assessing the integrity of internal controls and financial reporting procedures; ensuring implementation of internal controls and procedures; reviewing the quarterly and annual financial statements and management’s discussion and analysis of the Resulting Issuer; selecting and monitoring the independence, performance and remuneration of the external auditors; oversight of all disclosure relating to financial information. The Audit Committee will also be responsible for reviewing and following the procedures established in the Resulting Issuer’s codes, policies and guidelines as may be established from time to time.

Upon completion of the Qualifying Transaction, the Governance Committee is expected to be comprised of Clovis Najm, Lisa Dea and Charles R. Spector. The Resulting Issuer Board will adopt such board committee charters, codes and policies as it deems necessary in accordance with good corporate governance practices given the stage of the Resulting Issuer.

Conflicts Of Interest

Charles R. Spector, a proposed director of the Resulting Issuer, is a partner at the law firm of Dentons Canada LLP, which acts as legal counsel to Meteorite.

Additionally, certain directors, officers and promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see “*Information Concerning the Resulting Issuer – Other Reporting Issuers*” below. In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer.

Other Reporting Issuers

The following table sets out information for the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the five years prior to the date hereof, directors, officers or promoters of other reporting issuers.

| Name | Name and Jurisdiction of Reporting Issuer | Name of Trading Market | Position | From | To |
|--------------------|---|------------------------|-----------|----------------|----------------|
| Lisa Dea | Harvest One Cannabis (BC) | TSXV | CFO | June 2017 | March 2019 |
| | Kabuni Ltd. (BC) | ASX | CFO | September 2016 | June 2017 |
| | Captiva Verde Industries Ltd. (BC) | CSE | CFO | January 2016 | September 2016 |
| | Greenbriar Capital Corp. (BC) | TSXV | CFO | February 2014 | September 2016 |
| Clovis Najm | El Tigre Silver Corp. (BC) | TSXV | CFO | April 2014 | November 2015 |
| | Seaway Energy Services Inc.(BC) | TSXV | Director | June 2014 | December 2015 |
| Charles R. Spector | Cannara Biotech Inc. (BC) | CSE | Secretary | December 2018 | Present |

Resulting Issuer Executive Compensation

For the purposes of this section, the Named Executive Officers are the proposed Chief Executive Officer and Chief Financial Officer of the Resulting Issuer and each of the three most highly compensated executive officers who are proposed to serve as executive officers of the Resulting Issuer for the twelve month period following the Qualifying Transaction. Based on the above criteria, the Named Executive Officers for the Resulting Issuer will be Clovis Najm (Chief Executive Officer), Murray Ovens (Chief Financial Officer), Michelle Kitchen (Chief Operating Officer), Leanne Pawluk (Chief Marketing Officer) and Mark Allen (Chief Technology Officer). The table below sets out their expected compensation for the twelve-month period following the Qualifying Transaction:

| Name and position | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|--|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Clovis Najm (Chief Executive Officer and Director) | \$168,000 | N/A | N/A | N/A | N/A | \$168,000 |
| Murray Ovens (Chief Financial Officer) | \$144,000 | N/A | N/A | N/A | N/A | \$144,000 |
| Michelle Kitchen (Chief Operating Officer) | \$96,000 | N/A | N/A | N/A | N/A | \$96,000 |
| Leanne Pawluk (Chief Marketing Officer) | \$120,000 | N/A | N/A | N/A | N/A | \$120,000 |

| Name and position | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|---------------------------------------|--|-------------------|---------------------------------------|----------------------------------|---|--------------------------------|
| Mark Allen (Chief Technology Officer) | \$120,000 | N/A | N/A | N/A | N/A | \$120,000 |

Compensation Discussion and Analysis

When determining compensation policies and individual compensation levels for the Resulting Issuer's executive officers, a variety of factors, will be considered including: the overall financial and operating performance of the Resulting Issuer, each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparables.

The Resulting Issuer's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Resulting Issuer and its shareholders through stock related programs.

Compensation for the NEOs of the Resulting Issuer will be determined following closing of the Qualifying Transaction and will be in line with similar development-stage companies.

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Management Contracts

Upon completion of the Qualifying Transaction, the consulting agreements of Clovis Najm and Murray Ovens will be changed to employment agreements, and the Resulting Issuer will assume Sparkit Media's obligations thereunder. See "*Information Concerning Sparkit Media – Executive Compensation – Management Contracts*" above.

Compensation of Directors

Following completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer will pay compensation to its directors in the form of annual fees for attending meetings of the Resulting Issuer Board. Directors may receive additional compensation for acting as chairs of committees of the Resulting Issuer Board. Directors will also be entitled to receive stock options in accordance with the terms of the Resulting Issuer Option Plan and the TSXV requirements and will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Resulting Issuer Board, committees of the Resulting Issuer Board or meetings of the shareholders of the Resulting Issuer. It is also anticipated that the Resulting Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Resulting Issuer will agree to indemnify its directors to the extent permitted by law.

Indebtedness of the Resulting Issuer's Directors and Officers

As of the completion of the Qualifying Transaction, no proposed director, executive officer or senior officer of the Resulting Issuer or any Associate thereof, will be indebted to the Resulting Issuer or any of its subsidiaries, or has been at any time during the preceding financial year.

No director, executive officer or other senior officer of Meteorite or Sparkit Media or person who acted in such capacity in the last financial year of Meteorite or Sparkit Media or proposed director or officer of the Resulting Issuer, or any Associate of any such director or officer is, or has been, at any time since the incorporation of Meteorite or Sparkit Media, indebted to Meteorite or Sparkit Media nor is, or at any time since the incorporation of Meteorite or Sparkit Media has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Meteorite or Sparkit Media.

Investor Relations Arrangements

The Resulting Issuer has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer and no such arrangements are contemplated for the Resulting Issuer.

Options to Purchase Securities

Options to Purchase Meteorite Shares

In connection with the completion of the Qualifying Transaction, the Resulting Issuer intends to adopt the existing Meteorite Option Plan that is in compliance with the TSXV requirements for security-based compensation arrangements (the “**Resulting Issuer Option Plan**”).

The 565,200 Meteorite Options currently outstanding under the Meteorite Option Plan will remain outstanding, without amendment to their terms, and, depending on whether the minimum or maximum subscription amounts of the Offering are met, the Resulting Issuer will be able to issue up to an additional 3,309,465 (in the case of the minimum) or 3,420,576 (in the case of the maximum) stock options (representing approximately 10% of the Resulting Issuer Shares anticipated to be issued and outstanding as of the Effective Date less the number of Meteorite Options already granted).

Under the Resulting Issuer Option Plan, any senior officer, director, employee, management company employee, consultant, or investor relations person of Meteorite or its subsidiaries (each as described in the Meteorite Option Plan and each, an “**Eligible Person**”) is eligible to receive options under the Resulting Issuer Option Plan.

The Resulting Issuer Option Plan provides that the maximum number of Meteorite Shares which may be available for issuance under the Resulting Issuer Option Plan will not exceed 10% of the total number of Resulting Issuer Shares issued and outstanding from time to time.

The maximum number of Resulting Issuer Shares which may be reserved for issuance under options granted to Insiders (as defined in the TSXV Manual) (as a group) under the Resulting Issuer Option Plan, together with any other of Meteorite’s previously established and outstanding stock option plans or grants, shall be 10% of the Resulting Issuer Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of options which may be granted to Insiders (as a group) under the Resulting Issuer Option Plan, together with any other of Meteorite’s previously established and outstanding stock option plans or grants, within any 12 month period shall be 10% of the issued Resulting Issuer Shares, calculated on the date an option is granted to any Insider (on a non-diluted basis).

The maximum number of options which may be granted to any one consultant under the Resulting Issuer Option Plan, together with any other of Meteorite’s previously established and outstanding stock option plans or grants, within any 12 month period, must not exceed 2% of the issued and outstanding Resulting Issuer Shares, calculated at the date an option is granted to such consultant (on a non-diluted basis). The maximum number of options which may be granted to all investor relations person under the Resulting Issuer Option Plan, together with any other of Meteorite’s previously established and outstanding stock option plans or grants, within any 12 month period, must not exceed, in the aggregate, 2% of the issued and outstanding Resulting Issuer Shares, calculated on the date an option granted to any such investor relations person (on a non-diluted basis).

The exercise price of options issued may not be less than the “Discounted Market Price” (as set out in the Resulting Issuer Option Plan) of the Resulting Issuer Shares at the time the option is granted, subject to the minimum exercise price allowable by the stock exchange on which the Resulting Issuer’s securities are listed. Subject to the provisions of the Resulting Issuer Option Plan and the particular option, an option may be exercised, in whole or in part, by delivering a written notice of exercise to the Resulting Issuer along with payment in cash or certified cheque for the full amount of the purchase price of the Resulting Issuer Shares then being purchased.

The period within which options may be exercised and the number of options which may be exercised in any such period are determined by the Resulting Issuer Board at the time of granting the options provided, however, that the maximum term of any options awarded under the Resulting Issuer Option Plan is 10 years.

All options granted pursuant to the Resulting Issuer Option Plan will be subject to such vesting requirements as may be prescribed by the stock exchange on which the Resulting Issuer’s securities are listed, if applicable, or as may be imposed by the Resulting Issuer Board. All options granted to investor relations persons must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three-month period.

An optionee who ceases to be an Eligible Person under the Resulting Issuer Option Plan for any reason, other than as a result of having been dismissed for cause or as a result of the optionee’s death, may exercise any vested and unexpired options held by such optionee for a period of ninety (90) days from the date of cessation (or until the normal expiry date of the option rights of such optionee, if earlier). The expiry date of Options granted to an optionee who is engaged in investor relations activities shall be the date on which the optionee ceases to be employed by the Resulting Issuer to provide investor relations activities.

In the event of a death of the optionee, the optionee’s representative may exercise any vested and unexpired options held by the optionee for a period of twelve (12) months from the optionee’s death (unless such period is extended by the Resulting Issuer Board). Any extension of the exercise period by the Resulting Issuer Board is subject to the approval of the stock exchange on which Resulting Issuer’s securities are listed.

If an optionee ceases to be an Eligible Person as a result of having been dismissed for cause, all unexercised options of that optionee under the Resulting Issuer Option Plan shall immediately terminate and shall lapse on the date on which the Resulting Issuer gives notice to the optionee of the termination of the optionee’s employment.

Options granted under the Resulting Issuer Option Plan will be non-assignable and non-transferable by an optionee other than pursuant to a will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee’s lifetime, only by the optionee.

The Resulting Issuer Option Plan contains provisions for the treatment of options in relation to capital changes and with regard to a reorganization, stock split, stock dividend, combination of shares merger, consolidation, rights offering or any other change in the corporate structure or shares of the Resulting Issuer. The aggregate number and kind of shares available under the Resulting Issuer Option Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Resulting Issuer.

The Resulting Issuer Board may, at its sole discretion, decide that Options granted under the Resulting Issuer Option Plan be vested and exercisable over a period of 90 days upon the occurrence of one of the following events:

- (a) the termination of employment of an Eligible Person without Cause;
- (b) the approval or recommendation by the Resulting Issuer Board of a transfer of or an acquisition of at least 50% of the voting shares of the Resulting Issuer resulting in a change of control; an
- (c) the approval by the Resulting Issuer Board of the sale of all or substantially all of the assets of the Resulting Issuer.

The Resulting Issuer Board may at any time amend or terminate the Resulting Issuer Option Plan, but where amended, such amendment is subject to regulatory or shareholder approval.

The following table shows the particulars of Meteorite Options expected to be outstanding upon completion of the Qualifying Transaction.

| Expiry | Exercise Price | Number Under Option | Market Value of the Shares Under Option | |
|--------------------|----------------|---------------------|---|--------------------|
| | | | August 31, 2020 | Date of Grant |
| September 27, 2023 | \$0.15 | 141,300 | \$0.10 | September 15, 2018 |
| September 27, 2023 | \$0.15 | 141,300 | \$0.10 | September 15, 2018 |
| September 27, 2023 | \$0.15 | 141,300 | \$0.10 | September 15, 2018 |
| September 27, 2023 | \$0.15 | 141,300 | \$0.10 | September 15, 2018 |

The following is a description of the expected Resulting Issuer Options outstanding upon completion of the Qualifying Transaction, by category of option holder.

| Category of Option Holder | Shares Under Option |
|--|---------------------|
| All proposed officers of the Resulting Issuer as a group ⁽¹⁾ | Nil |
| All proposed directors of the Resulting Issuer as a group who are not also officers ⁽²⁾ | 141,300 |
| All other employees of the Resulting Issuer as a group | Nil |
| All consultants of the Resulting Issuer as a group | Nil |
| Former officers and directors of Sparkit Media not already considered above | Nil |
| Former officers and directors of Meteorite not already considered above | 423,900 |

Notes:

- (1) Proposed officers in total being Clovis Najm, Murray Ovens, Michelle Kitchen, Leanne Pawluk and Mark Allen.
(2) Proposed directors who are not also officers in total being Lisa Dea and Charles R. Spector.

Following completion of the Qualifying Transaction, the Resulting Issuer intends to issue options to new directors and officers in such amounts as may be determined by the Resulting Issuer Board. Such options will be issued at the market price pursuant to the Resulting Issuer Option Plan and the rules of the TSXV.

Escrowed Securities

Pursuant to the policies of the TSXV, Resulting Issuer Shares (“**Escrow Shares**”) received by certain shareholders who: (i) are “Principals” of the Resulting Issuer; (ii) will hold Resulting Issuer Shares considered to be “value escrow securities” by the policies of the TSXV; or (iii) are other parties, identified by the TSXV, will be subject to escrow conditions prescribed by the TSXV pursuant to the terms of an agreement to be entered into among the Resulting Issuer, the holders of Escrow Shares and AST Trust Company, as escrow agent (the “**QT Escrow Agreement**”)

| Name and Municipality of Residence of Securityholder | Designation of Class | Prior to Giving Effect to the Qualifying Transaction | | After Giving Effect to the Qualifying Transaction | |
|--|----------------------|--|---------------------|---|---------------------------------------|
| | | Number of Securities held in Escrow | Percentage of Class | Number of Securities held in Escrow | Percentage of Class ⁽³⁾⁽⁴⁾ |
| Charles R. Spector, Westmount, Quebec | Common Shares | 413,000 ⁽¹⁾ | N/A | 413,000 ⁽¹⁾ | 1.04% |

| | | | | | |
|--|---------------|------------------------|-----|--------------------------|--------|
| Ivan. Spector, Westmount, Quebec | Common Shares | 413,000 ⁽¹⁾ | N/A | 413,000 ⁽¹⁾ | 1.04% |
| Lennie Ryer, Hampstead, Quebec | Common Shares | 413,000 ⁽¹⁾ | N/A | 413,000 ⁽¹⁾ | 1.04% |
| Richard Yanofsky, Hampstead, Quebec | Common Shares | 413,000 ⁽¹⁾ | N/A | 413,000 ⁽¹⁾ | 1.04% |
| Clovis Najm, Vancouver, British Columbia | Common Shares | Nil | N/A | 8,935,570 ⁽²⁾ | 22.41% |
| Gabriel Albarian Jr., Los Angeles, California | Common Shares | Nil | N/A | 5,567,614 ⁽²⁾ | 13.96% |
| Martin Sitter, Vancouver, British Columbia | Common Shares | Nil | N/A | 195,000 ⁽²⁾ | 0.49% |
| Leanne Pawluk, Vancouver, British Columbia | Common Shares | Nil | N/A | 195,000 ⁽²⁾ | 0.49% |
| Lisa Dea, Vancouver, British Columbia | Common Shares | Nil | N/A | 39,000 ⁽²⁾ | 0.10% |
| John Kelepouris, Vancouver, British Columbia | Common Shares | Nil | N/A | 39,000 ⁽²⁾ | 0.10% |
| Damien Norris, Vancouver, British Columbia | Common Shares | Nil | N/A | 39,000 ⁽²⁾ | 0.10% |
| David McCarthy, Kanata, Ontario | Common Shares | Nil | N/A | 19,500 ⁽²⁾ | 0.05% |
| Soomo Entertainment Company, Inc. (Roy Yen), Vancouver, British Columbia | Common Shares | Nil | N/A | 19,500 ⁽²⁾ | 0.05% |
| Dave Santaniello, Morristown, New Jersey | Common Shares | Nil | N/A | 97,500 ⁽²⁾ | 0.25% |

Notes:

(1) Held in escrow pursuant to the amended and restated escrow agreement dated September 27, 2018 among Meteorite, AST Trust Company and certain shareholders of Meteorite (the “CPC Escrow Agreement”). 10% of the escrowed Resulting Issuer Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “Initial Release”) and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

(2) To be held in escrow pursuant to the QT Escrow Agreement, whereby 10% of the escrowed Resulting Issuer Shares will be released from escrow at Closing (the “QT Initial Release”) and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the QT Initial Release.

(3) Assumes full subscription of the Offering.

(4) On a non-diluted basis.

Auditors, Transfer Agent and Registrar

Upon completion of the Qualifying Transaction, the transfer agent and registrar for the Resulting Issuer Shares will be AST Trust Company (Canada) and the auditors will be MNP LLP.

Material Contracts

The Resulting Issuer will not be a party to any material agreements other than in the ordinary course of business.

Risk Factors

The following risk factors are not a definitive list of all risk factors associated with the Qualifying Transaction. Additional risks and uncertainties, including those currently unknown or considered immaterial by Meteorite and Sparkit Media, may also adversely affect the Resulting Issuer Shares and/or the business of the Resulting Issuer following completion of the Qualifying Transaction.

Risks Relating to the Qualifying Transaction

Completion of the Qualifying Transaction is subject to a number of conditions, certain of which may be outside the control of both Meteorite and Sparkit Media. There can be no assurance, nor can Meteorite or Sparkit Media provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Qualifying Transaction will be completed as currently contemplated or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Resulting Issuer or the trading price of the Resulting Issuer Shares.

If the Qualifying Transaction is not completed, the market price of the Meteorite Shares may decline to the extent that the current market price reflects a market assumption that the Qualifying Transaction will be completed. In addition, Meteorite and Sparkit Media will each remain liable for significant consulting, accounting and legal costs relating to the Qualifying Transaction and will not realize anticipated benefits of the Qualifying Transaction. If the Qualifying Transaction is not completed and the Meteorite Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Acquisition Agreement.

There is currently no market through which the Sparkit Media Shares may be sold and there is no assurance that the Sparkit Media Shares will be admitted to a listing or qualified for distribution in Canada or any other jurisdiction in the event that the Qualifying Transaction is not completed.

Possible termination of the Acquisition Agreement

Each of Meteorite and Sparkit Media has the right to terminate the Acquisition Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Acquisition Agreement will not be terminated by either Meteorite or Sparkit Media before the completion of the Qualifying Transaction.

Certain costs related to the Qualifying Transaction, such as legal, accounting and certain financial advisor fees must be paid by Meteorite and Sparkit Media even if the Qualifying Transaction is not completed.

Following the completion of the Qualifying Transaction, the Resulting Issuer may issue additional equity securities

Following the completion of the Qualifying Transaction, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing Resulting Issuer shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

Liquidity and Additional Financing

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These

transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

COVID-19 Coronavirus Pandemic

The effects of the COVID-19 coronavirus pandemic (the "**Pandemic**") are expected to continue to be felt in both the immediate and short term, and may in fact worsen during the autumn and winter months as flu season advances. Societal functions are not expected to return to normal until a vaccine is widely available to the public. This is not expected to occur until sometime in 2021.

While the Sparkit board believes that retailers' responses to the Pandemic will include increasing their attention on online/digital marketing and sales, including influencer-based marketing, it is possible that due to depressed sales in certain sectors of the economy, digital marketing expenditures may decrease in the aggregate as a result of retailers having fewer funds available. The Pandemic may also negatively affect the Resulting Issuer's business as overall sales of consumer goods and services could be negatively affected. Although marketing and advertising budgets may be reduced, it is unlikely this will have a significant impact on the Resulting Issuer as it aims to be a lower cost conversion rate than other forms of traditional and on-line advertising.

Being a Public Company May Increase Price Volatility

In the event the Qualifying Transaction is completed, the Resulting Issuer's status as a reporting issuer may increase price volatility due to various factors, including the ability to buy or sell Resulting Issuer Shares, different market conditions in different capital markets and different trading volumes. In addition, low trading volume may increase the price volatility of the Resulting Issuer Shares. The increased price volatility could adversely affect the results of operations or financial condition.

The pending Qualifying Transaction may divert the attention of Meteorite's and Sparkit Media's management

The pendency of the Qualifying Transaction could cause the attention of Meteorite's and Sparkit Media's management to be diverted from the day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Qualifying Transaction and could have an adverse effect on the business, operating results or prospects of Meteorite or Sparkit Media regardless of whether the Qualifying Transaction is ultimately completed, or of the Resulting Issuer if the Qualifying Transaction is completed.

While the Qualifying Transaction is pending, Meteorite and Sparkit Media are restricted from taking certain actions

The Acquisition Agreement restricts Meteorite and Sparkit Media from taking specified actions until the Qualifying Transaction is completed without the consent of the other party which may adversely affect the ability of each to execute certain business strategies, including, but not limited to, the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. These restrictions may prevent Meteorite and Sparkit Media from pursuing attractive business opportunities that may arise prior to the completion of the Qualifying Transaction.

The Requirements of Being a Public Resulting Issuer may Strain the Resulting Issuer's Resources

In the event the Qualifying Transaction is completed, the Resulting Issuer will continue Sparkit Media's current business activities. As a reporting issuer, the Resulting Issuer, and its business activities, will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the exchange on which it would be listed and other applicable securities rules and regulations. Compliance with those rules and regulations will increase the Resulting Issuer's legal and financial costs as compared

to Sparkit Media's current activities making some activities more difficult, time consuming or costly and increase demand on its systems and resources.

Risks Relating to the Business to be Carried on by the Resulting Issuer

External platform risk – while Sparkit is not aware of any plans by any external social media platform, it is always a risk that such platforms amend their terms of use to prohibit the types of marketing campaigns described herein, or implement fee structures for the same that would render them uneconomical.

Customer loss risk – Sparkit's current customers are few in number and large in size. As such, the departure of any customer (for any reason) would constitute a material loss of revenue.

Entry into market by competitors and IP Infringement - With the predicted immediate success of Sparkit, there is risk that large social media competitors will be drawn to this segment of the digital marketing space and may quickly reverse engineer or otherwise acquire Sparkit's crowdsourcing technology protocols and eco-system.

Influencer legitimacy - Like any platform or agency with a network of influencers, there is risk of "fake"/unqualified influencers signing up.

Partners & agents vet and verify - In many cases Partners, such as Ad Agencies, Talent Agencies or Media Groups such as TV Stations are represented on the Network. There are concerns with group misrepresentation.

Reputational risk – as influencers are independent of both the brand and Sparkit, they may behave and live in any manner they choose. There is therefore a risk that an influencer may exhibit poor judgment, or interact inappropriately with their followers, which would in turn reflect badly upon their partners and result in a decrease in the demand for items they have "pitched".

Decline in social media engagement – the growth of online shopping and digital advertising seems to know no limits, however in the event people revert back to in-store shopping or move on from certain social media channels in lieu of other ones, then the followers of an influencer and level of fan engagement may dwindle to the point of being economically infeasible.

Brand budget, consumer desires - Sparkit's success hinges on scalability of the influencer network, brand budgets and global expansion. There is a risk that Sparkit is unable to scale its influencer network, or that its campaign budgets are too small to attract new or retain existing influencers, or that the appeal of the campaign strategy to consumers decreases in a material fashion.

Payment - Allowing the brand-to-Sparkit-to-influencer-to-fan secured payment through the Sparkit eco-system is subject to applicable regulation; in particular, financial market regulation may require Sparkit to obtain regulatory approvals.

Negative cash flow from operating activities – Sparkit does not yet produce sufficient revenue to cover its operating costs. If this situation persists, Sparkit will either run out of money or have to seek additional sources of financing.

Quantification of losses – Sparkit has a history of operating losses and it is difficult to predict when profits will be generated.

Working capital deficit – Currently, Sparkit has a working capital deficit and, until it generates positive cash flow will be required use part of the proceeds from the Offering to pay what it owes.

Limited revenue history – Sparkit has limited revenue history so its ability to generate profits is unknown and difficult to predict.

Competition

To date, the trend in the use of influencer marketing has been increasing year over year. There is no guarantee that this trend will continue to increase, and the market for this type of marketing may plateau or even decline. Similarly, the success enjoyed by Sparkit to date has been due to the high degree of customer engagement and responsiveness. There is no guarantee that, over time, customers will view this form of marketing with less fervor.

Sparkit faces competition across a few key categories, namely:

1. Video Platform Segment – e.g., YouTube, Vevo

The above-mentioned video platforms pay all content providers, with influencers tending to dominate the payouts.

2. Brand Endorsement Platforms – e.g., Julius, Klear, Upfluence

The above-mentioned platforms are influencer matchmaking services. They are non-exclusive, database driven contacts that brands can access in order to reach influencers with access to the consumers they wish to target. The relevant data comes from the social network Application Programming Interfaces. Influencers typically are members with several of these services.

3. Video Social Networks - e.g., Instagram, TikTok

Influencers use these social network applications to engage their fans. The applications do have some ad link services for brands that influencers can leverage. However, their click-through-rates are typically quite low and the ads typically do not generate enough volume to be a meaningful income for influencers.

Dependence upon Key Management Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants (the “**Key Personnel**”). The Resulting Issuer’s future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Resulting Issuer’s ability to execute on its business plan and strategy, and the Resulting Issuer may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. The Resulting Issuer’s executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer’s executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer’s business and affairs and that could adversely affect the Resulting Issuer’s operations. These business interests could require significant time and attention of the Resulting Issuer’s executive officers, directors and consultants.

In addition, the Resulting Issuer may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of

interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Internal controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under applicable law, in each case the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and could materially adversely affect the Resulting Issuer.

General Economic Risks

The Resulting Issuer's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact the Resulting Issuer's sales and profitability. Any investors should further consider, among other factors, the Resulting Issuer's prospects for success in light of the risks and uncertainties encountered by companies that, like the Resulting Issuer, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of the Resulting Issuer's business. The Resulting Issuer may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Resulting Issuer fails to do so, it could materially harm the Resulting Issuer's business to the point of having to cease operations and could impair the value of the Resulting Issuer's securities.

Equity Price Risk

The Resulting Issuer may be exposed to equity price risk as a result of holding long-term investments in other companies. Just as investing in the Resulting Issuer is inherent with risks such as those set out in this Filing Statement, by investing in these other companies, the Resulting Issuer may be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

Unknown Defects and Impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Resulting Issuer to such transaction, which may have a material adverse effect on the Resulting Issuer. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Resulting Issuer enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Resulting Issuer. Any impairment charges on the Resulting Issuer's carrying value of business arrangements could have a material adverse effect on the Resulting Issuer.

Challenging Global Financial Conditions

Global financial conditions have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global

economic conditions could negatively impact the ability of the Resulting Issuer, or the ability of the operators of the companies in which the Resulting Issuer will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on the Resulting Issuer and the price of the Resulting Issuer's securities could be adversely affected.

Cybersecurity Risks

The information systems of the Resulting Issuer and any third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Resulting Issuer depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Resulting Issuer is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Resulting Issuer.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of the Resulting Issuer's board of directors and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about Meteorite, Sparkit Media, the Resulting Issuer or the Qualifying Transaction that are not otherwise disclosed in this Filing Statement.

SPONSORSHIP AND AGENT RELATIONSHIP

Sponsorship for the Qualifying Transaction is required by Policy 2.4 of the TSXV Manual unless an exemption from the sponsorship requirement is granted to Meteorite by the TSXV. It is anticipated that Meteorite will be exempt from the sponsorship requirement on the basis that it expects to complete the Offering in connection with the Qualifying Transaction for aggregate gross proceeds of greater than \$500,000 and the Agent will provide the TSXV with confirmation that it has completed appropriate due diligence on both the Qualifying Transaction and this Filing Statement that is generally in compliance with Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Manual. Subject to the satisfaction of certain conditions, the TSXV has granted Meteorite a waiver from the sponsorship requirements in respect of the Qualifying Transaction.

INTEREST OF EXPERTS

Interest of Experts

MNP LLP are the auditors of Meteorite and have performed the audit in respect of the audited financial statements of Meteorite for year ended December 31, 2019. MNP LLP are independent of Meteorite in accordance with the applicable rules of professional conduct.

Saturna Group Chartered Professional Accountants LLP are the auditors of Sparkit Media and have performed an audit in respect of the audited financial statements of Sparkit Media for the year ended December 31, 2019. Saturna Group Chartered Professional Accountants LLP is independent of Sparkit Media within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Except as disclosed herein, no person or company who is named as having prepared or certified a part of the Filing Statement or prepared or certified a report or valuation described or included in the Filing Statement has, or will have, immediately following completion of the Acquisition, any direct or indirect interest in Sparkit Media, Meteorite or the Resulting Issuer.

Certain legal matters in connection with the Qualifying Transaction will be passed upon by Miller Thomson LLP on behalf of Sparkit and by Dentons Canada LLP on behalf of Meteorite. Other than as disclosed with regard to Charles R. Spector, as of the date hereof, the partners and associates of Miller Thomson LLP and Dentons Canada LLP, in each case as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding Sparkit Shares and Meteorite Shares.

BOARD APPROVAL

The board of directors of Meteorite has approved the contents of this Filing Statement. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than Meteorite, Meteorite has relied upon information furnished by such Person. Meteorite disclaims any responsibility with respect to the accuracy and adequacy of such information.

Schedule "A"
FINANCIAL STATEMENTS OF METEORITE FOR THE YEAR ENDED DECEMBER 31, 2019

Meteorite Capital Inc.
Financial Statements
December 31, 2019 and 2018

Meteorite Capital Inc.

Contents

For the year ended December 31, 2019 and for the period from April 27, 2018 to December 31, 2018

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Independent Auditor's Report

To the Shareholders of Meteorite Capital Inc.:

Opinion

We have audited the financial statements of Meteorite Capital Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and December 31, 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2019 and the period from April 27, 2018 (date of incorporation) to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows for the year ended December 31, 2019 and the period from April 27, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$92,588 during the year ended December 31, 2019, and expects to continue to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jo-Ann Lempert.

Montréal, Québec

May 29, 2020

MNP¹ SENCRL, s.r.l.

¹ FCPA auditor, FCA, public accountancy permit no. A122514

Meteorite Capital Inc.
Statements of Financial Position
As at December 31, 2019 and 2018
(Expressed in Canadian dollars)

| | 2019 | 2018 |
|--|----------------|----------------|
| Assets | | |
| Current assets | | |
| Cash | 2,097 | 730,664 |
| Investment in short-term GIC <i>(Note 4)</i> | 620,000 | - |
| Total assets | 622,097 | 730,664 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities <i>(Note 7)</i> | 19,750 | 69,008 |
| Total liabilities | 19,750 | 69,008 |
| Shareholders' Equity | | |
| Share capital <i>(Note 6)</i> | 776,233 | 776,233 |
| Contributed surplus <i>(Note 6)</i> | 33,279 | - |
| Warrants <i>(Note 6)</i> | 39,874 | 39,874 |
| Deficit | (247,039) | (154,451) |
| Total shareholders' equity | 602,347 | 661,656 |
| Total liabilities and shareholders' equity | 622,097 | 730,664 |

Approved on behalf of the Board

 "signed"
Ivan Spector
 Director

 "signed"
Richard Yanofsky
 Director

Meteorite Capital Inc.

Statements of Loss and Comprehensive Loss

For the year ended December 31, 2019 and for the period from April 27, 2018 to December 31, 2018
(Expressed in Canadian dollars)

| | 2019 | 2018 |
|--|-----------------|------------------|
| Expenses | | |
| Professional fees | 53,302 | 68,588 |
| Stock-based compensation | 33,279 | - |
| Listing fees | 5,987 | 85,689 |
| Bank charges and interest | 20 | 174 |
| Net loss and comprehensive loss | (92,588) | (154,451) |
| Basic and fully diluted loss per share (Note 6(c)) | (0.01) | (0.04) |

The accompanying notes are an integral part of these financial statements

Meteorite Capital Inc.

Statements of Changes in Shareholders' Equity

For the year ended December 31, 2019 and for the period from April 27, 2018 to December 31, 2018
(Expressed in Canadian dollars)

| | Number of shares | Share Capital | Contributed Surplus | Warrants | Deficit | Total equity |
|---|---------------------|------------------|------------------------|---------------|------------------|-----------------|
| Balance - April 27, 2018 | - | - | - | - | - | - |
| Issuance of founder shares during the period (Note 6(b)(ii)) | 2,065,000 | 154,875 | - | - | - | 154,875 |
| Issuance of shares under public offering (Note 6(b)(ii)) | 5,000,000 | 750,000 | - | - | - | 750,000 |
| Share issuance costs (Note 6(b)(ii)) | - | (128,642) | - | 39,874 | - | (88,768) |
| Net loss and comprehensive loss | - | - | - | - | (154,451) | (154,451) |
| Balance – December 31, 2018 | 7,065,000 | 776,233 | - | 39,874 | (154,451) | 661,656 |
| Stock-based compensation | - | - | 33,279 | - | - | 33,279 |
| Net loss and comprehensive loss | - | - | - | - | (92,588) | (92,588) |
| Balance – December 31, 2019 | 7,065,000 | 776,233 | 33,279 | 39,874 | (247,039) | 602,347 |

The accompanying notes are an integral part of these financial statements

Meteorite Capital Inc.
Statements of Cash Flows

*For the year ended December 31, 2019 and for the period from April 27, 2018 to December 31, 2018
(Expressed in Canadian dollars)*

| | 2019 | 2018 |
|--|------------------|------------------|
| Cash flows (used in) provided by | | |
| Operating activities | | |
| Net loss | \$(92,588) | \$(154,451) |
| Adjustments for | | |
| Stock-based compensation | 33,279 | - |
| Net change in non-cash working capital items | | |
| Accounts payable and accrued liabilities | (49,258) | 69,008 |
| | (108,567) | (85,443) |
| Investing activities | | |
| Investment in short-term GIC | (625,000) | - |
| Proceeds from partial redemption of GIC | 5,000 | - |
| | (620,000) | - |
| Financing activities | | |
| Proceeds from issuance of common shares and net cash provided by financing activities, net of issue costs | - | 816,107 |
| Net changes in cash | (728,567) | 730,664 |
| Cash, beginning of year/period | 730,664 | - |
| Cash, end of year/period | \$2,097 | \$730,664 |
| Non-cash transactions | | |
| Issuance of agents' warrants | \$- | \$39,874 |

The accompanying notes are an integral part of these financial statements

1. Nature of operations

Meteorite Capital Inc. ("the Company") was incorporated pursuant to the provisions of the Canada Business Corporations Act on April 27, 2018. The Company carries on business as a "Capital Pool Corporation" ("CPC"), as such term is defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4 - Capital Pool Companies ("Policy 2.4"). As at December 31, 2019, the Company has no business operations and did not enter into any agreement to acquire an interest in businesses or assets. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company's registered head office address is 1 Place Ville Marie, Suite 3900, Montreal, Québec H3B 4M7.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under Exchange Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or delist the Company's shares from trading should it not meet these requirements. Moreover, The Company has incurred a net loss of \$92,588 during the year ended December 31, 2019 and expects to continue to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty which may cast significant doubt about the soundness of the going concern assumption.

2. Basis of presentation

These financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They have been prepared under the assumption that the Company operates as a going concern and have been prepared on an accrual basis and under historical cost except for certain financial instruments measured at fair value. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company.

These financial statements for the year ended December 31, 2019 were authorized for issue by the Board of Directors on May 29, 2020.

3. Summary of significant accounting policies

Cash

Cash is comprised of cash held with a Canadian chartered bank.

Financial assets and financial liabilities

Financial assets are classified and measured based on the business model in which assets are managed and their cash flow characteristics. The Company determines the classification of financial assets at initial recognition. Financial assets are classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial liabilities are classified and measured on two categories: amortized cost or FVTPL.

The Company's financial assets are cash and investment in short-term GIC. Cash and investment in short-term GIC are classified and measured at amortized cost.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset. The Company does not have any financial assets measured at amortized cost.

The Company's financial liabilities are accounts payable and accrued liabilities which are classified and measured at amortized cost.

3. Significant accounting policies *(Continued from previous page)*

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments measured at fair value on the statements of financial position consist of cash and an investment in short-term GIC held in a Canadian chartered bank. Cash is measured at level 1 and the investment in short-term GIC is measured at level 2 of the fair value hierarchy.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

Stock-based compensation

The Company grants stock options to purchase common shares of the Company to directors and officers. The Board of Directors grants such options for periods up to five years, with vesting periods determined at its sole discretion. The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period that the options are earned. The fair value is determined using the Company's share price on the date of the grant and is recognized as an expense with a corresponding increase in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. Cancellations of options are accounted for as an acceleration of vesting. An additional expense is recognized for any modifications which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the holder as measured at the date of modification over the remaining vesting period. If and when the stock options are exercised, the applicable fair value amounts charged to contributed surplus will be transferred to share capital.

Warrants

The Company engages in equity financing transactions which may involve the issuance of common shares or share purchase warrants ("Warrants"). Depending upon the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants are valued based on their fair value using the Black Scholes option pricing model and warrants that are issued as payment for an agency fee or other transaction cost may be accounted for as share based payments, depending on the terms of the issuance.

3. Significant accounting policies (Continued from previous page)

Functional currency

The Company's functional and presentation currency is the Canadian dollar, which represents the currency that is the primary economic environment of the Company.

Use of estimates, assumptions and judgments

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Management used the Black-Scholes model to estimate the fair value of stock options and warrants issued. The estimated life of the stock options and warrants at the grant date is based on the legal life of the equity instruments and the expected exercise pattern of the holders. The expected volatility used to calculate the grant date fair value is estimated taking into account the historical volatility of similar companies' share prices over the expected term of the stock options and warrants granted.

Accounting standards issued and applied during the period

IFRS 16, Leases, which was issued in January 2016, was adopted by the Company on January 1, 2019 using the full retrospective approach. The Company does not have any existing leases and did not have any leases at the date of adoption. As a result, adopting this standard did not have an impact on the financial statements.

Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

4. Investment in short-term GIC

On March 20, 2019, the Company invested in a short-term GIC in the amount of \$625,000, earning interest at a rate of prime less 2.1% and maturing on March 20, 2020. During the year, the Company redeemed \$5,000 of the GIC and upon maturity in March 2020, re-invested the proceeds in a new one-year short-term GIC earning interest at a rate 1.35% (Note 9).

5. Financial instruments and risk management

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total equity. The Company is not subject to any externally imposed capital requirements.

Fair Values

At December 31, 2019, the Company's financial instruments consist of cash, investment in short-term GIC and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

Meteorite Capital Inc.
Notes to the Financial Statements
For the year ended December 31, 2019 and 2018
(Expressed in Canadian dollars)

5. **Financial instruments and risk management** (Continued from previous page)

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

6. **Share capital**

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

| | <i>Number of common shares</i> | <i>Amount \$</i> |
|--|------------------------------------|----------------------|
| Shares issuance – founder shares (i) | 2,065,000 | 154,875 |
| Shares issuance – public offering (ii) | 5,000,000 | 621,358 |
| Balance, December 31, 2018 | 7,065,000 | 776,233 |
| Balance, December 31, 2019 | 7,065,000 | 776,233 |

(i) On April 27, 2018, the Company issued an aggregate of 2,065,000 common shares at a price of \$0.075 per share for gross cash proceeds of \$154,875

(ii) On September 17, 2018, the Company completed a public offering of shares pursuant to an amended and restated (final) prospectus at a price of \$0.15 per share resulting in 5,000,000 shares being issued for total gross proceeds of \$750,000. Total Agent's fees, commissions and other directly related expenses of \$88,768 attributable to the issuance of shares was recorded as a reduction of shareholders' equity.

In connection with the offering, the Company issued 500,000 non-transferable warrants (the "Agent's Warrants") to Leede Jones Gable Inc. (the "Agent"), exercisable at \$0.15 until September 28, 2020. The fair value of the Agent's Warrants at issuance was estimated to be \$39,874 using the Black Scholes option pricing model with the following assumptions: share price - \$0.15, dividend yield - 0%; expected volatility 100%; risk free interest rate - 2.33%; and an expected life - 2 years.

c) Basic and diluted loss per share is calculated as follows:

| | 2019 | 2018 |
|--|-------------|-------------|
| Net comprehensive loss for the year | \$92,588 | \$154,450 |
| Weighted average shares outstanding (including contingently issuable shares) | 7,065,000 | 3,960,161 |
| Loss per share, basic and fully diluted | \$0.01 | \$0.04 |

Meteorite Capital Inc.
Notes to the Financial Statements
For the year ended December 31, 2019 and 2018
(Expressed in Canadian dollars)

6. **Share capital** (Continued from previous page)

d) Warrants issued

| | <i>Number of Warrants</i> | <i>Fair value \$</i> |
|-----------------------------------|-------------------------------|--------------------------|
| Warrant issuance (Note 6(b)(ii)) | 500,000 | 39,874 |
| Balance, December 31, 2018 | 500,000 | 39,874 |
| Balance, December 31, 2019 | 500,000 | 39,874 |

e) Stock options issued

The Company has adopted a stock option plan which provides that the Board of Directors may, from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, for a period of up to five years from the date of the grant. The number of common shares reserved for issuance to any individual director or officer of the Company will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding common shares. The options may be exercised the earlier of the completion of the Qualifying Transaction and 24 months from the date the Company's shares were listed for trading on the Exchange.

The following is a summary of option transactions under the stock option plan for the relevant periods:

| | <i>December 31, 2019</i> | | <i>December 31, 2018</i> | |
|---------------------------------------|------------------------------|--|------------------------------|--|
| | <i>Number of options</i> | <i>Weighted average exercise price</i> | <i>Number of options</i> | <i>Weighted average exercise price</i> |
| Balance, beginning of year | 706,500 | \$0.15 | - | \$- |
| Forfeited | (141,300) | 0.15 | - | - |
| Granted to directors and officers (i) | - | - | 706,500 | 0.15 |
| Balance, end of year | 565,200 | \$0.15 | 706,500 | \$0.15 |
| Options exercisable | - | - | - | - |

- (i) On September 17, 2018, following the completion of the Company's public offering of shares (Note 6(b)(ii)), the Company granted 141,300 stock options to each of its five directors and officers for a total of 706,500 options granted, exercisable at \$0.15 until September 17, 2023.

The fair value of the options at issuance was estimated to be \$64,700 using the Black Scholes option pricing model with the following assumptions: share price - \$0.15, dividend yield - 0%; expected volatility 89%; risk free interest rate - 2.22%; and an expected life - 3.5 years.

Meteorite Capital Inc.
Notes to the Financial Statements
For the year ended December 31, 2019 and 2018
(Expressed in Canadian dollars)

6. Share capital *(Continued from previous page)*

During the year ended December 31, 2019, an expense of \$33,279 related to stock-based compensation costs has been recorded and presented separately in the statements of loss and comprehensive loss.

7. Related party transactions

Related parties include the Board of Directors, the president, the chief financial officer, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the year ended December 31, 2019, a law firm of which an officer, director and shareholder of the Company is a partner, provided legal services in the amount of \$12,200 of which \$895 was included in accounts payable and accrued liabilities. As at December 31, 2018, accounts payable and accrued liabilities included an amount of \$64,008 related to legal services and an advance on behalf of the Company for the payment of listing and filing, which were subsequently paid in the first quarter of 2019.

8. Income taxes

The recovery of income taxes attributable to the loss before taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.6% (2018 - 26.7%) as a result of the following:

| | 2019 | 2018 |
|---|-----------------|-------------|
| Loss before income taxes | (92,588) | (154,451) |
| Combined federal and provincial tax rates | 26.60% | 26.70% |
| Income tax recovery using statutory tax rates | (24,628) | (41,238) |
| Tax benefits not recognised | 24,628 | 41,238 |
| | - | - |

The statutory tax rate declined from 26.7% to 26.6% due to a reduction in the Quebec provincial tax rate on January 1, 2019.

Unrecognized deductible temporary differences consist of the following:

| | 2019 | 2018 |
|------------------------------------|----------------|-------------|
| Non-capital losses carried-forward | 243,577 | 166,514 |
| Share issue costs | 58,951 | 76,705 |
| | 302,528 | 243,219 |

At December 31, 2019, the Company had non-capital loss carry forwards available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

| | Federal | Provincial |
|------|----------------|-------------------|
| 2038 | 166,514 | 166,514 |
| 2039 | 77,063 | 77,063 |
| | 243,577 | 243,577 |

9. Subsequent events

- i) Subsequent to year end, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.
- ii) On May 19, 2020, the Company announced that it has signed a binding letter agreement (the "Letter Agreement") with Sparkit Media Inc. ("Sparkit"), a privately held corporation existing under the laws of British Columbia, which outlines the general terms and conditions pursuant to which the Company and Sparkit have agreed to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Sparkit (the "Transaction"). The Letter Agreement was negotiated at arm's length and is effective as of May 18, 2020.

The Transaction is then expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company's common shares on the basis of an exchange ratio of 0.0995 Meteorite Capital Inc. common shares for every one Sparkit share issued and outstanding, reflecting a deemed price of \$0.225 per Meteorite Capital Inc. common share or such other value that is acceptable to the Company, Sparkit and the Exchange, such that Sparkit will be a wholly-owned subsidiary of the Company as it exists following the completion of the Transaction.

Concurrently with the closing of the Transaction, the Company intends to conduct a brokered private placement offering of common share units (the "Units") led by Leede Jones Gable (the "Agent") for gross proceeds to the Company of a minimum of \$2,000,000 and a maximum of \$2,250,000 (the "Offering"), in accordance with the policies of the Exchange. Each Unit shall be comprised of one common share and one-half common share purchase warrant, which will entitle its holder to purchase one common share at a price of \$0.35 for a period of 24 months following the completion of the Transaction. The Agents will receive a cash commission equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants that is equal to 8% of the number of Units sold.

- iii) In connection with the Transaction, on April 17, 2020, the Company advanced \$25,000 to Sparkit as a promissory note. The promissory note bears interest at a rate of 6.5% per annum, calculated and accrued monthly, and matures on June 30, 2020. Interest and principal shall be payable on the maturity date.
- iv) During the period from January 1, 2020 to the date of authorization these financial statements, the Company partially redeemed \$140,000 of the investment in short-term GIC. \$25,000 was redeemed and advanced to Sparkit as a promissory note (see iii above) and \$100,000 was redeemed to cover anticipated Agent fees, professional fees and other costs associated with the Offering.

Schedule "B"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF METEORITE FOR THE YEAR ENDED
DECEMBER 31, 2019

METEORITE CAPITAL INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

May 29, 2020

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Meteorite Capital Inc. ("Meteorite" or the "Company"), dated May 29, 2020 covers the year ending December 31, 2019 and should be read in conjunction with the audited financial statements of the Company and the notes thereto for the years ended December 31, 2019 and 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements, but does not form part of the financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the year ending December 31, 2019. Additional information on the Company is also available on SEDAR at www.sedar.com.

Where we say "we", "us", "our", or the "Company" we mean Meteorite unless otherwise indicated. All amounts are presented in Canadian dollars unless otherwise indicated.

Description of Business:

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of Canada Business Corporations Act on April 27, 2018. The Company completed its initial public offering ("IPO") of 5,000,000 common shares for gross proceeds of \$750,000 on September 28, 2018. The Company's common shares were listed on the TSX Venture Exchange ("TSX-V" or the "Exchange") on October 12, 2018 and commenced trading on the TSX-V on the same day under the symbol "MTR.P".

The Company was listed as a Capital Pool Company ("CPC") as defined in TSX-V Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a qualifying transaction ("Qualifying Transaction") as defined under TSX-V Policy 2.4.

Forward-looking statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that those expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

With respect to forward-looking statements above and otherwise contained in this MD&A, the Company has made assumptions regarding, among other things:

- *the legislative and regulatory environment;*

- *the impact of increasing competition;*
- *ability to obtain regulatory and shareholder approvals; and*
- *the Company's ability to obtain additional financing on satisfactory terms.*

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below:

- *volatility in the market conditions;*
- *incorrect assessments of the value of acquisitions;*
- *due diligence reviews; and*
- *competition for suitable acquisitions.*

Overall Performance

Meteorite is classified as a CPC for the purposes of the policies of the Exchange. As a result, the Company's current business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction, is also subject to "majority of the minority approval" in accordance with Policy 2.4 of the Exchange. During the year ended December 31, 2019, the Company had not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests.

Subsequent to year-end on May 19, 2020, the Company announced that it has signed a binding letter agreement (the "Letter Agreement") with Sparkit Media Inc. ("Sparkit"), a privately held corporation existing under the laws of British Columbia and operating in the technology industry, which outlines the general terms and conditions pursuant to which the Company and Sparkit have agreed to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Sparkit (the "Transaction"). The Letter Agreement was negotiated at arm's length and is effective as of May 18, 2020. The Transaction, subject to the approval of the Exchange, is then expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company's common shares on the basis of a predetermined exchange ratio.

Results of Operations

As of December 31, 2019, the Company had no operations other than identifying a qualifying transaction.

For the year ending December 31, 2019, Meteorite incurred total expenses of \$92,588. These expenses are mainly related to stock-based compensation, professional fees and listing fees.

Working capital at December 31, 2019 was \$602,347, compared to \$661,656 as at December 31, 2018.

Selected Financial Information

A summary of selected financial information for the year ended December 31, 2019 and the period from April 27, 2018 (date of incorporation) to December 31, 2018 is set out below:

| | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|
| Net loss and comprehensive loss | \$(92,588) | \$(154,451) |
| Basic and fully diluted loss per share | (0.01) | (0.04) |
| Total expenses | 92,588 | 154,451 |
| Total assets | 622,097 | 730,664 |
| Cash used in operations | (108,567) | (85,443) |
| Long-term financial liabilities | Nil | Nil |

For the year ended December 31, 2019, the Company reported no discontinued operations and declared no cash dividends.

Summary of Quarterly Results

| | 3 Months Ended Dec 31 2019 | 3 Months Ended Sept 30 2019 | 3 Months Ended June 30 2019 | 3 Months Ended Mar 31 2019 | 3 Months Ended Dec 31 2018 | 3 Months Ended Sept 30 2018 | 64-Day Period Ended June 30 2018 |
|---------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|---|
| Professional fees | \$ 19,959 | \$ 18,535 | \$ 8,274 | \$ 6,534 | \$ 39,641 | \$ 21,637 | \$ 7,310 |
| Stock-based compensation | 33,279 | - | - | - | - | - | - |
| Listing fees | - | 8 | - | 5,979 | 22,315 | 63,374 | - |
| Bank charges and interest | (39) | 29 | 18 | 12 | 121 | 36 | 17 |
| Net loss and comprehensive loss | (53,199) | (18,572) | (8,292) | (12,525) | (62,077) | (85,047) | (7,327) |
| Loss per share* | (0.01) | (0.00) | (0.00) | (0.00) | (0.01) | (0.04) | (0.00) |

*does not include escrowed shares as they are contingently returnable.

This summary of quarterly results should be read in conjunction with the financial statements and notes included in the Company's financial statements as at December 31, 2019.

Discussion of Operations for the year ended December 31, 2019

Loss and comprehensive loss for the year was \$92,588 compared to \$154,451 for the 8-month period of 2018. The decrease in the loss by \$61,863 is principally due to a decrease in listing fees of \$79,702 and a decrease in professional fees of \$15,286, offset by stock-based compensation expense of \$33,279 recorded in 2019.

Discussion of Operations for the three months ended December 31, 2019

For the three-month period ended December 31, 2019, net loss and comprehensive loss decreased by \$8,878 compared to the same period in 2019. The decrease is principally due decreases in professional and listing fees, partially offset by the stock-based compensation expense of \$33,279.

Transactions with Related Parties

Related parties include the Board of Directors, the president, the chief financial officer, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the year ended December 31, 2019, a law firm of which an officer, director and shareholder of the Company is a partner, provided legal services in the amount of \$12,200 of which \$895 was included in accounts payable and accrued liabilities. As at December 31, 2018, accounts payable and accrued liabilities included an amount of \$64,008 related to legal services and an advance on behalf of the Company for the payment of listing and filing, which were subsequently paid in the first quarter of 2019.

Outstanding Share Data

At the date of this MD&A, the following is a description of the outstanding equity securities and exercisable securities previously issued by the Company:

| | Authorized | Description of Securities |
|--|---|--|
| Voting or equity securities issued and outstanding | Unlimited common shares | 7,065,000 common shares (2,065,000 deposited in escrow) |
| Options issuances and outstanding | Up to a maximum of 10% of common shares outstanding | 565,200 options to acquire 565,200 common shares |
| Warrants issued and outstanding | Agent option to acquire 500,000 common shares | 500,000 warrants to acquire 500,000 common shares |

Financial Instruments and Risk Factors

The Company's financial instruments consist of cash, investment in short-term GIC and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit or liquidity risks arising from its financial instruments.

Liquidity and Capital Resources

As at December 31, 2019, Meteorite had net working capital of \$602,347 comprised of cash and an investment in a short-term GIC, offset by accounts payable and accrued liabilities. As a result, the Company is not exposed to significant liquidity risk, and has sufficient funds to meet its ongoing obligations and to meet its objective of completing a Qualifying Transaction. Meteorite does not generate revenue from operations and any significant improvements in working capital would result from the issuance of share capital.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the potential Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and total shareholders' equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2019. In accordance with the TSX-V Policy 2.4 and until completion of a Qualifying Transaction, the Company will be subject to constraints related to the use of the funds obtained through the sale of its common shares.

Contractual Obligations

The Company has no long-term debt outstanding or contractual obligations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and investment in short-term GIC. The Company limits its exposure to credit loss by placing its cash and holding its GIC with a major financial institution.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2019, the Company's current assets exceeded its current liabilities. In order to meet future obligations as they become due, the Company may need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk

The Company is exposed to interest rate risk on its variable interest rate short-term GIC and to the extent that the cash maintained at the financial institution is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant. Subsequent to year-end, the Company's short-term GIC matured and was re-invested in a new fixed rate short-term GIC.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2018, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely

monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Subsequent Events

COVID-19 Health Crisis risk

Subsequent to year end, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Qualifying Transaction and Private Placement Offering

As previously described, the Company signed a binding Letter Agreement with Sparkit, effective as of May 18, 2020, pursuant to which the Company and Sparkit have agreed to complete a reverse take-over Transaction of the Company by the shareholders of Sparkit. The Transaction is then expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company’s common shares on the basis of an exchange ratio of 0.0995 Meteorite Capital Inc. common shares for every one Sparkit share issued and outstanding, reflecting a deemed price of \$0.225 per Meteorite Capital Inc. common share or such other value that is acceptable to the Company, Sparkit and the Exchange, such that Sparkit will be a wholly-owned subsidiary of the Company as it exists following the completion of the Transaction.

Concurrently with the closing of the Transaction, the Company intends to conduct a brokered private placement offering of common share units (the “Units”) led by Leede Jones Gable (the “Agent”) for gross proceeds to the Company of a minimum of \$2,000,000 and a maximum of \$2,250,000 (the “Offering”), in accordance with the policies of the Exchange. Each Unit shall be comprised of one common share and one-half common share purchase warrant, which will entitle its holder to purchase one common share at a price of \$0.35 for a period of 24 months following the completion of the Transaction. The Agents will receive a cash commission equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants that is equal to 8% of the number of Units sold.

In connection with the Transaction, on April 17, 2020, the Company advanced \$25,000 to Sparkit as a promissory note. The promissory note bears interest at a rate of 6.5% per annum, calculated and accrued monthly, and matures on June 30, 2020. Interest and principal shall be payable on the maturity date.

During the period from January 1, 2020 to the date of authorization these financial statements, the Company partially redeemed \$140,000 of its investment in the short-term GIC. \$25,000 was redeemed and advanced to Sparkit as a promissory note (see above) and \$100,000 was redeemed to cover anticipated Agent fees, professional fees and other costs associated with the Offering.

Critical Accounting policies and Estimates updated

Critical accounting estimates are those estimates that have a high degree of uncertainty and for which changes in those estimates could materially impact the Company's results.

Management used the Black-Scholes model to estimate the fair value of stock options and warrants issued. The estimated life of the stock options and warrants at the grant date is based on the legal life of the equity instruments and the expected exercise pattern of the holders. The expected volatility used to calculate the grant date fair value is estimated taking into account the historical volatility of similar companies' share prices over the expected term of the stock options and warrants granted.

Actual results could differ from those estimates.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Schedule "C"
FINANCIAL STATEMENTS OF METEORITE FOR THE PERIOD ENDED JUNE 30, 2020

Meteorite Capital Inc.
Condensed Interim Financial Statements
June 30, 2020 and 2019

Meteorite Capital Inc.

Contents

For the three and six-month periods ending June 30, 2020 and 2019

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| Condensed Interim Statement of Changes in Shareholders' Equity..... | 3 |
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Meteorite Capital Inc.
Condensed Interim Statement of Financial Position
(Unaudited - Expressed in Canadian dollars)
As at

| | June 30, 2020 | December 31, 2019 |
|--|--------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash | 6,756 | 2,097 |
| Investment in short-term GIC <i>(Note 4)</i> | 461,060 | 620,000 |
| Loan receivable <i>(Note 6)</i> | 95,680 | - |
| Total current assets | 563,496 | 622,097 |
| Non-current assets | | |
| Deferred share issue costs | 57,744 | - |
| Total assets | 621,240 | 622,097 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities <i>(Note 9)</i> | 40,394 | 19,750 |
| Total liabilities | 40,394 | 19,750 |
| Shareholders' Equity | | |
| Share capital <i>(Note 8)</i> | 776,233 | 776,233 |
| Contributed surplus <i>(Note 8)</i> | 46,166 | 33,279 |
| Warrants <i>(Note 8)</i> | 39,874 | 39,874 |
| Deficit | (281,427) | (247,039) |
| Total shareholders' equity | 580,846 | 602,347 |
| Total shareholders' equity and liabilities | 621,240 | 622,097 |

Approved on behalf of the Board

"signed"
Ivan Spector
Director

"signed"
Richard Yanofsky
Director

Meteorite Capital Inc.
Condensed Interim Statement of Loss and Comprehensive Loss
For the three and six-month periods ended June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

| | 2020 | | 2019 | |
|--|-----------------|-----------------|--------------|------------|
| | Three-months | Six-months | Three-months | Six-months |
| Interest income | 1,004 | 12,324 | - | - |
| Expenses | | | | |
| Professional fees <i>(Note 9)</i> | 22,235 | 27,235 | 8,274 | 14,808 |
| Stock based compensation <i>(Note 8)</i> | 8,267 | 12,887 | - | - |
| Listing fees | - | 5,979 | 5,979 | 5,979 |
| Transaction costs | 575 | 575 | - | - |
| Bank charges | 16 | 36 | 18 | 30 |
| Total expenses | 31,093 | 46,712 | 14,271 | 20,817 |
| Net loss and comprehensive loss | (30,089) | (34,388) | (14,271) | (20,817) |
| Basic and fully diluted loss per share <i>(Note 8(c))</i> | (0.00) | (0.00) | (0.00) | (0.00) |

The accompanying notes are an integral part of these Condensed Interim Financial Statements

Meteorite Capital Inc.
Condensed Interim Statement of Changes in Shareholders' Equity
For the six-month periods ended June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

| | <i>Number of shares</i> | <i>Share Capital</i> | <i>Contributed Surplus</i> | <i>Warrants</i> | <i>Deficit</i> | <i>Total equity</i> |
|----------------------------------|-----------------------------|--------------------------|--------------------------------|-----------------|------------------|-------------------------|
| Balance – January 1, 2020 | 7,065,000 | 776,233 | 33,279 | 39,874 | (247,039) | 602,347 |
| Stock-based compensation | - | - | 12,887 | - | - | 12,887 |
| Net loss and comprehensive loss | - | - | - | - | (34,388) | (34,388) |
| Balance – June 30, 2020 | 7,065,000 | 776,233 | 46,166 | 39,874 | (281,427) | 580,846 |

| | <i>Number of shares</i> | <i>Share Capital</i> | <i>Contributed Surplus</i> | <i>Warrants</i> | <i>Deficit</i> | <i>Total equity</i> |
|---------------------------------|-----------------------------|--------------------------|--------------------------------|-----------------|------------------|-------------------------|
| Balance – January 1, 2019 | 7,065,000 | 776,233 | - | 39,874 | (154,451) | 661,656 |
| Net loss and comprehensive loss | - | - | - | - | (20,817) | (20,817) |
| Balance – June 30, 2019 | 7,065,000 | 776,233 | - | 39,874 | (175,268) | 640,839 |

The accompanying notes are an integral part of these condensed interim financial statements

Meteorite Capital Inc. Statement of Cash Flows

*For the six-month periods ended June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)*

| | 6 Months June 30, 2020 | 6 Months June 30, 2019 |
|---|-----------------------------------|-----------------------------------|
| Cash flows (used in) provided by | | |
| Operating activities | | |
| Net loss | (34,388) | (20,817) |
| Adjustments for | | |
| Stock-based compensation | 12,887 | - |
| Net change in non-cash working capital items | | |
| Accounts payable and accrued liabilities | 20,644 | (57,179) |
| | (857) | (77,996) |
| Investing activities | | |
| Investment in short-term GIC <i>(Note 4)</i> | (616,060) | (625,000) |
| Proceeds from partial redemption of GIC <i>(Note 4)</i> | 775,000 | - |
| Issuance of loan <i>(Note 6)</i> | (95,680) | - |
| | 63,260 | (625,000) |
| Financing activities | | |
| Deferred share issue costs | (57,744) | - |
| | (57,744) | - |
| Net changes in cash | 4,659 | (702,996) |
| Cash and cash equivalents, beginning of period | 2,097 | 730,664 |
| Cash and cash equivalents, end of period | 6,756 | 27,668 |
| Supplemental disclosure of cash flow information | | |
| Interest received | \$ 12,324 | \$ - |
| Non-cash transactions | | |
| Accrued interest on loan receivable <i>(Note 6)</i> | \$ 680 | \$ - |

The accompanying notes are an integral part of these Condensed Interim Financial Statements

Meteorite Capital Inc.

Notes to the Condensed Interim Financial Statements

As at June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

1. Nature of operations

Meteorite Capital Inc. ("the Company") was incorporated pursuant to the provisions of the Canada Business Corporations Act on April 27, 2018. The Company carries on business as a "Capital Pool Corporation" ("CPC"), as such term is defined in TSX Venture Exchange Inc. (the "Exchange" or the "TSX-V") Policy 2.4 - Capital Pool Companies ("Policy 2.4"). As at June 30, 2020, the Company had no business operations and did not enter into any agreement to acquire an interest in businesses or assets. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company's registered head office address is 1 Place Ville Marie, Suite 3900, Montreal, Québec H3B 4M7.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under Exchange Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or delist the Company's shares from trading should it not meet these requirements. Moreover, the Company has generated a net loss of \$34,388 during the six-month period ended June 30, 2020 and has an accumulated deficit in the amount of \$281,427 and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty which may cast significant doubt about the soundness of the going concern assumption.

2. Basis of presentation

These condensed interim financial statements are prepared by the Company in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Accounting Standards Board and using the accounting policies in the Company's 2019 year ended financial statements disclosed in Note 3 to those financial statements. These condensed interim financial statements should be read in conjunction with those financial statements. They have been prepared under the assumption that the Company operates as a going concern.

These Condensed Interim Financial Statements for the six-month period ended June 30, 2020 were authorized for issue by the Board of Directors on August 28, 2020.

3. Significant accounting policies

Cash

Cash is comprised of cash held with a Canadian chartered bank and funds held in trust.

Financial assets and financial liabilities

Financial assets are classified and measured based on the business model in which assets are managed and their cash flow characteristics. The Company determines the classification of financial assets at initial recognition. Financial assets are classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial liabilities are classified and measured on two categories: amortized cost or FVTPL.

The Company's financial assets are cash, investment in short-term GIC and loan receivable. Cash and investment in short-term GIC are classified and measured at fair value and the loan receivable is classified and measured at amortized cost.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the condensed interim statements of financial position as a deduction from the gross carrying amount of the financial asset. The Company has not recorded any loss allowances.

The Company's financial liabilities are accounts payable and accrued liabilities which are classified and measured at amortized cost.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

3. Significant accounting policies *(Continued from previous page)*

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments measured at fair value on the condensed interim statements of financial position consist of cash and an investment in short-term GIC held in a Canadian chartered bank. Cash is measured at level 1 and the investment in short-term GIC is measured at level 2 of the fair value hierarchy.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the condensed interim financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

Stock-based compensation

The Company grants stock options to purchase common shares of the Company to directors and officers. The Board of Directors grants such options for periods up to five years, with vesting periods determined at its sole discretion. The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period that the options are earned. The fair value is determined using the Company's share price on the date of the grant and is recognized as an expense with a corresponding increase in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. Cancellations of options are accounted for as an acceleration of vesting. An additional expense is recognized for any modifications which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the holder as measured at the date of modification over the remaining vesting period. If and when the stock options are exercised, the applicable fair value amounts charged to contributed surplus will be transferred to share capital.

Warrants

The Company engages in equity financing transactions which may involve the issuance of common shares or share purchase warrants ("Warrants"). Depending upon the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants are valued based on their fair value using the Black-Scholes option pricing model and warrants that are issued as payment for an agency fee or other transaction cost may be accounted for as share based payments, depending on the terms of the issuance.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

3. Significant accounting policies *(Continued from previous page)*

Functional currency

The Company's functional and presentation currency is the Canadian dollar, which represents the currency that is the primary economic environment of the Company.

Use of estimates, assumptions and judgments

The preparation of condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the condensed interim financial statements and related notes to the condensed interim financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Management used the Black-Scholes model to estimate the fair value of stock options and warrants issued. The estimated life of the stock options and warrants at the grant date is based on the legal life of the equity instruments and the expected exercise pattern of the holders. The expected volatility used to calculate the grant date fair value is estimated taking into account the historical volatility of similar companies' share prices over the expected term of the stock options and warrants granted.

Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

4. Investment in short-term GIC

On March 20, 2019, the Company invested in a short-term GIC in the amount of \$625,000, earning interest at a rate of prime less 2.1% and maturing on March 20, 2020. Upon maturity, the remaining balance of \$616,060 including interest and net of partial redemptions was reinvested in a new one-year short-term GIC earning interest at a rate of 1.35% per annum. During the period from the reinvestment on March 20, 2020 to June 30, 2020, the Company partially redeemed 155,000 of the short-term GIC, of which \$95,000 was advanced to Sparkit Media Inc. ("Sparkit") against delivery of a promissory note (Note 6).

The Company earned interest income of \$324 and \$11,644 for the three and six-month periods ended June 30, 2020.

5. Amalgamation agreement

On May 19, 2020, the Company announced that it signed a binding letter agreement (the "Letter Agreement") with Sparkit, a privately held corporation existing under the laws of British Columbia, which outlines the general terms and conditions pursuant to which the Company and Sparkit have agreed to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Sparkit (the "Transaction"). The Letter Agreement was negotiated at arm's length and was effective as of May 18, 2020.

The Transaction is expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company's common shares on the basis of an exchange ratio of 0.0995 Meteorite Capital Inc. common shares for every one Sparkit share issued and outstanding, reflecting a deemed price of \$0.225 per Meteorite Capital Inc. common share or such other value that is acceptable to the Company, Sparkit and the Exchange, such that Sparkit will be a wholly-owned subsidiary of the Company as it exists following the completion of the Transaction.

Concurrently with the Transaction, the Company intends to conduct a brokered private placement offering of common share units (the "Units") led by Leede Jones Gable (the "Agent") for gross proceeds to the Company of a minimum of \$2,000,000 and a maximum of \$2,250,000 (the "Offering"), in accordance with the policies of the Exchange. Each Unit shall be comprised of one common share and one-half common share purchase warrant, which will entitle its holder to purchase one common share at a price of \$0.35 for a period of 24 months following the completion of the Transaction. The Agents will receive a cash commission equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants that is equal to 8% of the number of Units sold.

As at the date these condensed interim financial statements were authorized for issue, the Transaction had not yet been completed. See Note 10 for details.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements
As at June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

6. Loan receivable

During the three-month period ended June 30, 2020, the Company advanced \$95,000 to Sparkit against delivery of a promissory note followed by a signed loan agreement from Sparkit. The loan bears interest at an annual rate of 6.5%, calculated and accrued monthly, and matures on October 15, 2020 (amended during the quarter ended June 30, 2020 to extend the initial maturity date of June 30, 2020 to August 31, 2020 and re-amended subsequent to quarter-end to a maturity date of October 15, 2020). Interest and principal shall be payable on the maturity date. Sparkit has granted to the Company a security interest on all of its assets. During the three-month period ended June 30, 2020, the Company earned interest income of \$680.

7. Financial instruments and risk management

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total equity. The Company is not subject to any externally imposed capital requirements.

Fair values

At June 30, 2020, the Company's financial instruments consist of cash, investment in short-term GIC, loan receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company attempts to reduce such exposure by investing in low risk investments and depositing cash with a Canadian chartered bank. The Company believes its exposure to credit risk on the loan receivable is not significant due to the anticipated amalgamation transaction that the Company intends to complete with the counterparty.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining a positive working capital position and sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant. During the six-month period ended June 30, 2020, the Company's short-term GIC matured and was re-invested in a new fixed rate short-term GIC. The loan receivable also carries interest at a fixed interest rate.

As at June 30, 2020, the Company did not have any accounts in foreign currencies and was not exposed to foreign currency risk.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements
As at June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

8. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

| | <i>Number of common shares</i> | <i>Amount \$</i> |
|-----------------------------------|------------------------------------|----------------------|
| Shares issuance – founder shares | 2,065,000 | 154,875 |
| Shares issuance – public offering | 5,000,000 | 621,358 |
| Balance, December 31, 2019 | 7,065,000 | 776,233 |
| Balance, June 30, 2020 | 7,065,000 | 776,233 |

c) Basic and diluted loss per share is calculated as follows:

| | <i>2020</i> | | <i>2019</i> | |
|--|--------------------------|-------------------|--------------------------|-------------------|
| | <i>Three- months</i> | <i>Six-months</i> | <i>Three- months</i> | <i>Six-months</i> |
| Net loss and comprehensive loss for the period | \$(30,089) | \$(34,388) | \$(14,271) | \$(20,817) |
| Weighted average shares outstanding (including contingently issuable shares) | 7,065,000 | 7,065,000 | 7,065,000 | 7,065,000 |
| Loss per share, basic and fully diluted (i) | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.00) |

(i) Diluted loss did not include the effect of options and warrants for the periods ended June 30, 2020 and 2019, as they are anti-dilutive.

d) Warrants issued

| | <i>Number of Warrants</i> | <i>Fair value \$</i> |
|----------------------------|-------------------------------|--------------------------|
| Warrant issuance (i) | 500,000 | 39,874 |
| Balance, December 31, 2019 | 500,000 | 39,874 |
| Balance, June 30, 2020 | 500,000 | 39,874 |

(i) The warrants are non-transferable and are exercisable at \$0.15 until September 28, 2020.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

8. Share capital *(Continued from previous page)*

e) Stock options issued

The Company has adopted a stock option plan which provides that the Board of Directors may, from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, for a period of up to five years from the date of the grant. The number of common shares reserved for issuance to any individual director or officer of the Company will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding common shares. The options may be exercised the earlier of the completion of the Qualifying Transaction and 24 months from the date the Company's shares were listed for trading on the Exchange. It is at this time that the options will vest in full.

The following is a summary of option transactions under the stock option plan for the relevant periods:

| | <i>Number of options</i> | <i>June 30, 2020 Weighted average exercise price</i> | <i>Number of options</i> | <i>December 31, 2019 Weighted average exercise price</i> |
|-----------------------------|------------------------------|--|------------------------------|--|
| Balance, beginning of year | 565,000 | \$0.15 | 706,500 | \$0.15 |
| Forfeited | - | - | (141,300) | 0.15 |
| Balance, end of year | 565,200 | \$0.15 | 565,200 | \$0.15 |
| Options exercisable | - | - | - | - |

The options outstanding have a five-year term and expire on September 17, 2023 and vest at the earlier of the events listed above. During the three and six-month periods ended June 30, 2020, expenses of \$8,267 and \$12,887 (June 30, 2019 - \$Nil) related to stock-based compensation costs has been recorded and presented separately in the condensed interim statements of loss and comprehensive loss.

9. Related party transactions

Related parties include the Board of Directors, the President, the Chief Financial Officer, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the three and six-month periods ended June 30, 2020, a law firm of which an officer, director and shareholder of the Company is a partner, provided legal services in the amount of \$18,338 and \$20,838, of which \$4,000 relates to the anticipated brokered private placement offering (Note 5) and has been recorded within deferred share issue costs (June 30, 2019 - \$Nil). As at June 30, 2020, accounts payable and accrued liabilities include an amount of \$20,000 (December 31, 2019 - \$895) related to legal services.

10. Subsequent events

- i) During and subsequent to quarter end, the evolving response to the COVID-19 pandemic by the federal and provincial governments in Canada includes continuing and new emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused significant disruption to businesses in Canada and globally, resulting in an economic slowdown. Global capital markets have also experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID 19 outbreak is still unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results, condition and business plans of the Company in future periods.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

10. Subsequent events *(Continued from previous page)*

- ii) On August 13, 2020, the maturity date of the loan with Sparkit (Note 6) was further extended to October 15, 2020 and the Company agreed to advance an additional loan in the principal amount of up to \$100,000, which would result in an aggregate secured loan of \$225,000 (including an additional loan advanced to Sparkit on August 17, 2020 of approximately \$30,000).
- iii) On August 17, 2020, the Company announced that it had received Sparkit's financial statements for the year ended December 31, 2019 and for the six-month period ended June 30, 2020. These financial statements were included in the Company's initial submission to the TSX-V.
- iv) During the period from July 1, 2020 to the date of authorization of these financial statements, the Company partially redeemed \$175,000 of the investment in short-term GIC. A portion of the funds redeemed were advanced to Sparkit and added to the loan amount and the remainder was redeemed to cover anticipated Agent fees, professional fees and other costs associated with the Transaction and the Offering.

Schedule "D"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF METEORITE FOR THE PERIOD ENDED JUNE
30, 2020

METEORITE CAPITAL INC.

INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS

August 28, 2020

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Meteorite Capital Inc. ("Meteorite" or the "Company"), dated August 28, 2020, covers the three and six-month periods ended June 30, 2020 and should be read in conjunction with the unaudited condensed interim financial statements of the Company and the notes thereto for the same period, which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") of International Financial Reporting Standards ("IFRS"). The MD&A supplements but does not form part of the condensed interim financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the three and six-month periods ended June 30, 2020. Additional information on the Company is also available on SEDAR at www.sedar.com.

Where we say "we", "us", "our", or the "Company" we mean Meteorite unless otherwise indicated. All amounts are presented in Canadian dollars unless otherwise indicated.

Description of Business:

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of Canada Business Corporations Act on April 27, 2018. The Company completed its initial public offering ("IPO") of 5,000,000 common shares for gross proceeds of \$750,000 on September 28, 2018. The Company's common shares were listed on the TSX Venture Exchange ("TSX-V" or the "Exchange") on October 12, 2018 and commenced trading on the TSX-V on the same day under the symbol "MTR.P".

The Company was listed as a Capital Pool Company ("CPC") as defined in TSX-V Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction as defined under TSX-V Policy 2.4.

Forward-looking statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that those expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

With respect to forward-looking statements above and otherwise contained in this MD&A, the Company has made assumptions regarding, among other things:

- *the legislative and regulatory environment;*
- *the impact of increasing competition;*

- *ability to obtain regulatory and shareholder approvals; and*
- *the Company's ability to obtain additional financing on satisfactory terms.*

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below:

- *volatility in the market conditions;*
- *incorrect assessments of the value of acquisitions;*
- *due diligence reviews; and*
- *competition for suitable acquisitions.*

Overall Performance

Meteorite is classified as a CPC for the purposes of the policies of the Exchange. As a result, the Company's current business is to identify and evaluate businesses and assets with a view to completing a "Qualifying Transaction". Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction is also subject to "majority of the minority approval" in accordance with Policy 2.4 of the Exchange. During the three and six-month periods ended June 30, 2020, the Company had not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests.

On May 19, 2020, the Company announced that it has signed a binding letter agreement (the "Letter Agreement") with Sparkit Media Inc. ("Sparkit"), a privately held corporation existing under the laws of British Columbia and operating in the technology industry, which outlines the general terms and conditions pursuant to which the Company and Sparkit have agreed to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Sparkit (the "Transaction"). The Letter Agreement was negotiated at arm's length and is effective as of May 18, 2020. The Transaction, subject to the approval of the Exchange, is expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company's common shares on the basis of a predetermined exchange ratio.

Results of Operations

As of June 30, 2020, the Company had no operations other than identifying a qualifying transaction.

For the three and six-month periods ended June 30, 2020, Meteorite earned interest income of \$1,004 and \$12,324 (June 30, 2019 - \$Nil), incurred net losses and comprehensive losses of \$30,089 and \$34,388 (\$14,271 and \$20,817 for the three and six-month periods ended June 30, 2019) and incurred operating expenses of \$31,093 and \$46,712 (\$14,271 and \$20,817 for the three and six-month periods ended June 30, 2019). These operating expenses are primarily related to professional fees, stock-based compensation, and listing fees.

Working capital at June 30, 2020 was \$523,102 (December 31, 2019 - \$602,347).

Selected Financial Information

A summary of selected financial information for the three and six-months ended June 30, 2020 and 2019 is set out below;

| | Three-months ended June 30, 2020 | Six-months ended June 30, 2020 | Three-months ended June 30, 2019 | Six-months ended June 30, 2019 |
|--|---|---|--|--------------------------------------|
| Net loss and comprehensive loss | \$(30,089) | \$(34,388) | \$(14,271) | \$(20,817) |
| Basic and fully diluted loss per share | (0.00) | (0.00) | (0.00) | (0.00) |
| Total expenses | 31,093 | 46,712 | 14,271 | 20,817 |
| Total assets | 621,240 | 621,240 | 652,668 | 652,668 |
| Cash (used in) provided by operations | N/A | (857) | N/A | (77,996) |
| Long-term financial liabilities | Nil | Nil | Nil | Nil |

For the three and six-month periods ended June 30, 2020 and 2019, the Company reported no discontinued operations and declared no cash dividends.

Summary of Quarterly Results

| | 3 Months Ended June 30 2020 | 3 Months Ended Mar 31 2020 | 3 Months Ended Dec 31 2019 | 3 Months Ended Sept 30 2019 | 3 Months Ended June 30 2019 | 3 Months Ended Mar 31 2019 | 3 Months Ended Dec 31 2018 | 3 Months Ended Sept 30 2018 |
|---------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| Interest income | \$ 1,004 | \$ 11,320 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Professional fees | 22,235 | 5,000 | 19,959 | 18,535 | 8,274 | 6,534 | 39,641 | 21,637 |
| Stock-based compensation | 8,267 | 4,620 | 33,279 | - | - | - | - | - |
| Listing fees | - | 5,979 | - | 8 | - | 5,979 | 22,315 | 63,374 |
| Transaction costs | 575 | - | - | - | - | - | - | - |
| Bank charges and interest | 16 | 20 | (39) | 29 | 18 | 12 | 121 | 36 |
| Net loss and comprehensive loss | (30,089) | (4,299) | (53,199) | (18,572) | (8,292) | (12,525) | (62,077) | (85,047) |
| Loss per share* | (0.00) | (0.00) | (0.01) | (0.00) | (0.00) | (0.00) | (0.01) | (0.04) |

*does not include escrowed shares as they are contingently returnable.

This summary of quarterly results should be read in conjunction with the condensed interim financial statements and the related notes for the three and six-month periods ended June 30, 2020 and 2019.

Discussion of Operations for the three and six-months ended June 30, 2020 and 2019

Loss and comprehensive loss for the three and six-month periods ended June 30, 2020 were \$30,089 and \$34,388, compared to \$14,271 and \$20,817 for the same periods in 2019. The increases of \$15,818 and \$13,571 respectively were primarily due to increases in professional fees and stock-based compensation, offset by the interest income earned during the periods.

Transactions with Related Parties

Related parties include the Board of Directors, the president, the chief financial officer, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the three and six-month periods ended June 30, 2020, a law firm of which an officer, director and shareholder of the Company is a partner, provided legal services in the amount of \$18,338 and \$20,838, of which \$4,000 relates to the anticipated brokered private placement offering and has been recorded within deferred share issue costs (June 30, 2019 - \$Nil). As at June 30, 2020, accounts payable and accrued liabilities include an amount of \$20,000 (December 31, 2019 - \$895) related to legal services.

Outstanding Share Data

At the date of this MD&A, the following is a description of the outstanding equity securities and exercisable securities previously issued by the Company:

| | Authorized | Description of Securities |
|--|---|--|
| Voting or equity securities issued and outstanding | Unlimited common shares | 7,065,000 common shares (2,065,000 deposited in escrow) |
| Options issuances and outstanding | Up to a maximum of 10% of common shares outstanding | 565,500 options to acquire 565,500 common shares |
| Warrants issued and outstanding | Agent option to acquire 500,000 common shares | 500,000 warrants to acquire 500,000 common shares |

Financial Instruments and Risk Factors

The Company's financial instruments consist of cash, investment in short-term GIC, loan receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit or liquidity risks arising from its financial instruments.

Liquidity and Capital Resources

As at June 30, 2020, Meteorite had net working capital of \$523,102 comprised of cash, an investment in a short-term GIC, and a loan receivable, offset by accounts payable and accrued liabilities. As a result, the Company is not exposed to the liquidity risk, and has sufficient funds to meet its ongoing obligations and to meet its objective of completing a Qualifying Transaction. Meteorite does not generate revenue from operations and any significant improvements in working capital would result from the issuance of share capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the potential Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and total shareholders' equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended June 30, 2020. In accordance with the TSX-V Policy 2.4 and until completion of a Qualifying Transaction, the Company will be subject to constraints related to the use of the funds obtained through the sale of its common shares.

Contractual Obligations

The Company has no long-term debt outstanding or contractual obligations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's condensed interim financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash, investment in short-term GIC and the loan receivable. The Company limits its exposure to credit loss by placing its cash with a major financial institution, by investing in low risk investments, and believes its exposure to credit risk on the loan receivable is not significant due to the anticipated amalgamation transaction that the Company intends to complete with the counterparty.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2020, the Company's current assets exceeded its current liabilities. In order to meet future obligations as they become due, the Company may need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant. During the six-month period ended June 30, 2020, the Company's short-term GIC matured and was re-invested in a new fixed rate short-term GIC. The loan receivable also carries interest at a fixed interest rate.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at June 30, 2020, the

Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) *Price risk*

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Significant and Subsequent Events

COVID-19 health crisis risk

During and subsequent to quarter end, the evolving response to the COVID-19 pandemic by the federal and provincial governments in Canada includes continuing and new emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused significant disruption to businesses in Canada and globally, resulting in an economic slowdown. Global capital markets have also experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is still unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results, condition and business plans of the Company in future periods.

Qualifying Transaction and private placement offering

As previously described, the Company signed a binding Letter Agreement with Sparkit, effective as of May 18, 2020, pursuant to which the Company and Sparkit have agreed to complete a reverse take-over Transaction of the Company by the shareholders of Sparkit. The Transaction is expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company's common shares on the basis of an exchange ratio of 0.0995 Meteorite Capital Inc. common shares for every one Sparkit share issued and outstanding, reflecting a deemed price of \$0.225 per Meteorite Capital Inc. common share or such other value that is acceptable to the Company, Sparkit and the Exchange, such that Sparkit will be a wholly-owned subsidiary of the Company as it exists following the completion of the Transaction.

Concurrently with the Transaction, the Company intends to conduct a brokered private placement offering (the "Offering") of common share units (the "Units") led by Leede Jones Gable (the "Agent") for gross proceeds to the Company of a minimum of \$2,000,000 and a maximum of \$2,250,000 (the "Offering"), in accordance with the policies of the Exchange. Each Unit shall be comprised of one common share and one-half common share purchase warrant, which will entitle its holder to purchase one common share at a price of \$0.35 for a period of 24 months following the completion of the Transaction. The Agents will receive a cash commission equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants that is equal to 8% of the number of Units sold.

On August 17, 2020, the Company announced that it had received Sparkit's financial statements for the year ended December 31, 2019 and for the six-month period ended June 30, 2020. These financial statements were included in the Company's initial submission to the TSX-V. As at the date of this MD&A, the Transaction and Offering have not yet been completed.

Loan receivable amendment and GIC redemptions

On August 13, 2020, the maturity date of the loan with Sparkit was further extended to October 15, 2020 and the Company agreed to advance an additional loan in the principal amount of up to \$100,000, resulting in an aggregate secured loan of \$225,000.

During the period from July 1, 2020 to the date of this MD&A, the Company partially redeemed \$175,000 of the investment in short-term GIC. A portion of the funds redeemed were advanced to Sparkit and added to the loan amount and the remainder was redeemed to cover anticipated Agent fees, professional fees and other costs associated with the Transaction and the Offering

Critical Accounting Policies and Estimates Updated

Critical accounting estimates are those estimates that have a high degree of uncertainty and for which changes in those estimates could materially impact the Company's results.

Management used the Black-Scholes model to estimate the fair value of stock options and warrants issued. The estimated life of the stock options and warrants at the grant date is based on the legal life of the equity instruments and the expected exercise pattern of the holders. The expected volatility used to calculate the grant date fair value is estimated taking into account the historical volatility of similar companies' share prices over the expected term of the stock options and warrants granted.

Actual results could differ from those estimates.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Schedule "E"
FINANCIAL STATEMENTS OF SPARKIT MEDIA FOR THE YEAR ENDED DECEMBER 31, 2019

Sparkit Media Inc.

Financial Statements (Expressed in Canadian Dollars)

For the Years Ended December 31, 2019 and 2018

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Sparkit Media Inc.

Opinion

We have audited the financial statements of Sparkit Media Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had no revenues, used cash of \$240,948 for operating activities, and incurred a net loss of \$794,653 during the year ended December 31, 2019. As at December 31, 2019, the Company had a working capital deficit of \$1,600,444 and an accumulated deficit of \$3,437,286. These events or conditions, along with other matters as set forth in Note 1 of the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Filing Statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Henry Chow.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

November 10, 2020

SPARKIT MEDIA INC.

Statements of Financial Position

(Expressed in Canadian dollars)

| | December 31, 2019 \$ | December 31, 2018 \$ |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | 260 | 2 |
| Total assets | <u>260</u> | <u>2</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Notes 4 and 6) | 617,499 | 535,253 |
| Deferred revenue | 55,775 | 50,000 |
| Loans payable (Note 5) | 927,430 | 706,224 |
| Total liabilities | <u>1,600,704</u> | <u>1,291,477</u> |
| SHAREHOLDERS' DEFICIT | | |
| Share capital | 1,650,919 | 1,197,124 |
| Share-based payment reserve | 73,042 | 61,153 |
| Shares subscriptions received (Note 7) | 20,000 | – |
| Equity component of convertible debt | 92,881 | 92,881 |
| Deficit | <u>(3,437,286)</u> | <u>(2,642,633)</u> |
| Total shareholders' deficit | <u>(1,600,444)</u> | <u>(1,291,475)</u> |
| Total liabilities and shareholders' deficit | <u>260</u> | <u>2</u> |

Nature of operations and continuance of business (Note 1)

Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on November 10, 2020:

/s/ Clovis Najm 
Clovis Najm, Director

(The accompanying notes are an integral part of these financial statements)

SPARKIT MEDIA INC.

Statement of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

| | Year ended December 31, 2019 \$ | Year ended December 31, 2018 \$ |
|--|--|--|
| Revenue | – | 25,364 |
| Cost of sales | – | (10,739) |
| Gross profit | – | 14,625 |
| Expenses | | |
| Advertising, marketing, and media (Note 6) | 15,917 | 50,606 |
| Consulting fees (Note 6) | 239,400 | 102,473 |
| Office and administrative | 37,369 | 32,094 |
| Professional fees | 25,565 | 160,299 |
| Share-based compensation (Note 8) | 11,889 | 31,253 |
| Total expenses | 330,140 | 376,725 |
| Net loss before other income (expense) | (330,140) | (362,100) |
| Other income (expense) | | |
| Finance costs (Note 7) | (453,795) | (121,856) |
| Gain on settlement of debt | – | 45,947 |
| Interest expense | (10,718) | (7,563) |
| Total other income (expense) | (464,513) | (83,472) |
| Net loss and comprehensive loss | (794,653) | (445,572) |
| Loss per share, basic and diluted | (0.01) | – |
| Weighted average shares outstanding | 149,560,504 | 124,815,898 |

(The accompanying notes are an integral part of these financial statements)

SPARKIT MEDIA INC.Statement of Changes in Equity
(Expressed in Canadian dollars)

| | Share capital | | Share-based payment reserve \$ | Share subscriptions received \$ | Equity component of convertible debt \$ | Deficit \$ | Total shareholders' deficit \$ |
|-------------------------------------|---------------------|--------------|---|--|---|---------------|---|
| | Number of shares | Amount \$ | | | | | |
| Balance, December 31, 2017 | 116,458,682 | 1,086,277 | 29,900 | – | 92,881 | (2,197,061) | (988,003) |
| Shares issued for cash | 11,084,724 | 110,847 | – | – | – | – | 110,847 |
| Fair value of stock options granted | – | – | 31,253 | – | – | – | 31,253 |
| Net loss for the year | – | – | – | – | – | (445,572) | (445,572) |
| Balance, December 31, 2018 | 127,543,406 | 1,197,124 | 61,153 | – | 92,881 | (2,642,633) | (1,291,475) |
| Shares issued for finance fees | 45,379,460 | 453,795 | – | – | – | – | 453,795 |
| Share subscriptions received | – | – | – | 20,000 | – | – | 20,000 |
| Fair value of stock options granted | – | – | 11,889 | – | – | – | 11,889 |
| Net loss for the year | – | – | – | – | – | (794,653) | (794,653) |
| Balance, December 31, 2019 | 172,922,866 | 1,650,919 | 73,042 | 20,000 | 92,881 | (3,437,286) | (1,600,444) |

(The accompanying notes are an integral part of these financial statements)

SPARKIT MEDIA INC.

Statements of Cash Flows

(Expressed in Canadian dollars)

| | Year ended December 31, 2019 \$ | Year ended December 31, 2018 \$ |
|--|--|--|
| OPERATING ACTIVITIES | | |
| Net loss for the year | (794,653) | (445,572) |
| Items not involving cash: | | |
| Gain on debt settlement | – | (45,947) |
| Share-based compensation | 11,889 | 31,253 |
| Shares issued for finance fees | 453,795 | – |
| Changes in non-cash operating working capital: | | |
| Accounts payable and accrued liabilities | 82,246 | 55,989 |
| Deferred revenue | 5,775 | 50,000 |
| Net cash used in operating activities | <u>(240,948)</u> | <u>(354,277)</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from notes payable | 221,206 | 243,410 |
| Proceeds from issuance of shares | – | 110,847 |
| Proceeds from share subscriptions received | 20,000 | – |
| Net cash provided by financing activities | <u>241,206</u> | <u>354,257</u> |
| Change in cash | 258 | (20) |
| Cash, beginning of year | 2 | 22 |
| Cash, end of year | <u>260</u> | <u>2</u> |

(The accompanying notes are an integral part of these financial statements)

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Sparkit Media Inc. (the “Company”) is a social media company that provides a media network where fans can interact with celebrities and can contribute exciting ideas that are produced and marketed by the celebrities they admire. The Company has developed a technology that gives celebrities a platform to deliver extremely engaging media over social media.

The Company was incorporated and commenced operations in the province of British Columbia on August 21, 2013 and its registered office is located at Suite 326, 1500 Pendrell Street, Vancouver, BC, Canada, V6G 3A5.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

These financial statements have been prepared using the going concern assumption, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company has no revenues, incurred a net loss of \$794,653, and used \$240,948 of cash for operating activities during the year ended December 31, 2019. As at December 31, 2019, the Company had a working capital deficit of \$1,600,444 and had an accumulated deficit of \$3,437,286. The Company’s current plans are to continue to develop its fan directed social media website and to engage celebrities to be active on that website. In addition, the Company is currently seeking additional funding to support operations. The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing to satisfy liabilities as they come due, complete development activities and ultimately to achieve profitable operations. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future or close transactions at terms that are suitable to the Company. If the Company is unable to obtain adequate financing, the Company will need to curtail operations. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

2. Basis of Preparation and Statement of Compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretations Committee.

3. Significant Accounting Policies

(a) Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(b) Functional and presentation currency

These financial statements are presented in Canadian dollars unless noted otherwise, which is also the Company’s functional currency.

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

(c) Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgement in the processing of applying the Company's accounting policies. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, laws and regulations. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Significant areas requiring the use of estimates include the fair value of share-based compensation and recoverability of unrecognized deferred income tax assets.

Significant judgments of the Company include:

- Assessment of whether the going concern assumption is appropriate which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

(d) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Income taxes

The Company uses the liability method of accounting for income taxes. Current and deferred tax expense or recovery are recognized in net earnings except when they arise as a result of items recognized in other comprehensive income or directly in equity in the current or prior periods, in which case the related current and deferred income taxes are also recognized in other comprehensive income or directly in equity, respectively.

Current tax expense for each taxable entity is based on the local taxable income at the local statutory tax rate enacted or substantively enacted by the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the related assets are realized or the liabilities are settled.

The effect on deferred tax assets and liabilities of the change in tax rates is recognized in net earnings in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax against current liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

(f) Financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit and loss (FVTPL).

The following is the Company's accounting policy for financial instruments under IFRS 9:

| <u>Financial instrument</u> | <u>Classification under IFRS 9</u> |
|--|------------------------------------|
| Cash | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Loans payable | Amortized cost |

Non-derivative financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the statement of operations for the period. The Company recorded bad debts expense based on the expected credit loss model.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Non-derivative financial liabilities

Financial liabilities, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has no hedging arrangements and does not apply hedge accounting.

(g) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net income (loss).

(h) Loss per share

Basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options and share purchase warrants and assumes the receipt of proceeds upon exercise of the options to determine the number of shares assumed to be purchased at the average market price during the period. In periods of loss, diluted loss per share is the same as basic loss per share as the effect would be anti-dilutive. As at December 31, 2019 and 2018, the Company had 13,150,000 potentially dilutive shares outstanding.

(i) Share-based payments

The Company grants share-based awards to employees and directors as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

(j) Foreign currency translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(k) Revenue recognition

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. This standard was adopted for the year beginning January 1, 2018 and did not result in any translation adjustments.

The Company's accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligations within the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is earned via contracts with customers to provide video content on the Company's proprietary fan directed advertising platform. Deferred revenue consists of amounts collected from customers where the services have not yet been delivered.

(l) Recent accounting pronouncements

IFRS 16 - Leases ("IFRS 16")

The Company has early adopted all the requirements of IFRS 16. IFRS 16 replaces IAS 17 Leases ("IAS 17"). IFRS 16 introduces a single lessee accounting model and requires lessees to recognize assets and liabilities for all leases, except when the term is 12 months or less or when the underlying asset has a low value. The Company did not have any leases as of December 31, 2019 and 2018, and there was no material impact on the Company's financial statements upon adoption of IFRS 16.

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2019, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of the following:

| | 2019 | 2018 |
|---|---------|---------|
| | \$ | \$ |
| Accounts payable | 355,236 | 206,308 |
| Amounts due to related parties (Note 6) | 77,775 | 154,710 |
| Payroll liabilities | 184,488 | 174,235 |
| | 617,499 | 535,253 |

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

5. Loans Payable

- (a) As at December 31, 2019, the amount of \$752,980 (2018 - \$646,774) is owed to various unrelated parties. The amounts due are non-interest bearing, unsecured, and due on demand.
- (b) As at December 31, 2019, the amount of \$149,450 (2018 - \$34,450) is owed to the mother of the Chief Executive Officer of the Company. The amount due is non-interest bearing, unsecured, and due on demand.
- (c) As at December 31, 2019, the amount of \$25,000 (2018 - \$25,000) is owed to the Chief Marketing Officer of the Company. The amount due is non-interest bearing, unsecured, and due on demand.

6. Related Party Transactions

- (a) As at December 31, 2019, the Company owed \$2,775 (2018 - \$79,710) to the Chief Executive Officer of the Company. The amount owing is unsecured, non-interest bearing, and due on demand and has been recorded in accounts payable and accrued liabilities. During the year ended December 31, 2019, the Company incurred \$74,383 (2018 - \$159,678) in consulting fees to the Chief Executive Officer of the Company.
- (b) As at December 31, 2019, the Company owed \$75,000 (2018 - \$75,000) to the Chief Marketing Officer of the Company. The amount owing is unsecured, non-interest bearing, and due on demand and has been recorded in accounts payable and accrued liabilities. During the year ended December 31, 2019, the Company incurred \$17,150 (2018 - \$18,500) of consulting fees and \$nil (2018 - \$25,000) of advertising, marketing, and media fees to the Chief Marketing Officer of the Company.
- (c) During the year ended December 31, 2019, the Company incurred \$6,750 (2018 - \$nil) in consulting fees to the Chief Operating Officer of the Company.

7. Share Capital

Authorized: unlimited common shares without par value

- (a) As at December 31, 2019, the Company received \$20,000 of share subscriptions for the issuance of common shares. Refer to Note 12.
- (b) On October 31, 2019, the Company issued 20,762,200 common shares with a fair value of \$207,622 for finance fees relating to outstanding loans payable to third parties.
- (c) On March 31, 2019, the Company issued 24,617,260 common shares with a fair value of \$246,173 for finance fees relating to outstanding loans payable to third parties.
- (d) On March 31, 2018, the Company issued 11,084,724 common shares at \$0.01 per share for proceeds of \$110,847.

8. Stock Options

The Company adopted a stock option plan whereby it can grant options to directors, officers, employees, and consultants of the Company.

| | Number of options | Weighted average exercise price \$ |
|---|-------------------|------------------------------------|
| Outstanding, December 31, 2017 | 1,200,000 | 0.00001 |
| Granted | 11,950,000 | 0.09 |
| Outstanding, December 31, 2018 and 2019 | 13,150,000 | 0.08 |

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

8. Stock Options (continued)

Additional information regarding stock options outstanding as at December 31, 2019 is as follows:

| Range of exercise prices \$ | Number of stock options outstanding | Number of stock options exercisable | Weighted average remaining contracted life (years) |
|--------------------------------|-------------------------------------|-------------------------------------|--|
| 0.00001 | 1,200,000 | 1,200,000 | 0.5 |
| 0.05 | 5,700,000 | 2,493,750 | 3.2 |
| 0.12 | 6,250,000 | 3,437,500 | 3.2 |
| | 13,150,000 | 7,131,250 | 3.0 |

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the year ended December 31, 2019, the Company recognized share-based compensation expense of \$11,889 (2018 - \$31,253) in share-based payment reserves, of which \$10,026 (2018 - \$20,510) pertains to officers and directors of the Company. The weighted average fair value of options granted during the year ended December 31, 2019 was \$nil (2018 - \$0.01) per option. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

| | 2019 | 2018 |
|-------------------------|------|---------|
| Risk-free interest rate | — | 1.71% |
| Dividend yield | — | 0% |
| Expected life | — | 5 years |
| Expected volatility | — | 125% |
| Forfeiture rate | — | 0% |

9. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash. The Company will limit its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

9. Financial Instruments and Risk Management (continued)

(c) Currency and Interest Rate Risk

Currency risk is the risk that fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs the Company incurs in its operations. Advertisements are sold in U.S. dollars and the Company's costs are incurred in principally in Canadian and U.S. dollars. The appreciation of the U.S. dollar against the Canadian dollar can increase the realized sales of advertisements. As at December 31, 2019, the Company had \$8,408 (2018 - \$nil) of U.S. dollar denominated accounts payable and accrued liabilities. A 10% change in the foreign exchange rates between the Canadian dollar and the U.S. dollar would not result in a material impact in the Company's financial statements. The Company does not hedge its exposure to foreign currency fluctuations and is not exposed to significant interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans on settling its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

10. Capital Management

The Company's objectives of capital management are to safeguard its ability to support the Company's normal operating requirements on an ongoing basis, continue development of its website and support any expansionary plan. The capital of the Company consists of share capital, share-based payment reserve, share subscriptions received, and equity component of convertible debt.

In order to facilitate the management of its capital requirement, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at December 31, 2019 and 2018, the Company had no externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged.

11. Segmented Information

The Company has one operating segment with assets and operations located in Canada.

12. Income Taxes

The Company is subject to Canadian federal and provincial tax at the rate of 11%. The tax effect of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

| | 2019 | 2018 |
|---|-----------|-----------|
| | \$ | \$ |
| Net loss for the year | (794,653) | (445,572) |
| Statutory rate | 11% | 11% |
| Income tax recovery | (87,412) | (49,013) |
| Permanent differences and other | 2,487 | 4,283 |
| Change in unrecognized deferred income tax assets | 84,925 | 44,730 |
| Income tax provision | — | — |

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

12. Income Taxes (continued)

The significant components of deferred income tax assets and liabilities as at December 31, 2019 and 2018 are as follows:

| | 2019 | 2018 |
|---|-----------|-----------|
| | \$ | \$ |
| Deferred income tax assets | | |
| Non-capital losses carried forward | 356,421 | 271,507 |
| Unrecognized deferred income tax assets | (356,421) | (271,507) |
| Net deferred income tax assets | – | – |

As at December 31, 2019, the Company has non-capital losses carried forward of \$3,240,195, which is available to offset future years' taxable income, as follows:

| | \$ |
|------|-----------|
| 2035 | 1,401,828 |
| 2036 | 269,346 |
| 2037 | 390,439 |
| 2038 | 406,636 |
| 2039 | 771,946 |
| | 3,240,195 |

13. Subsequent Events

- (a) On May 19, 2020, the Company signed a binder letter agreement with Meteorite Capital Inc. (TSX-V: MTR) ("Meteorite"), whereby the Company, Meteorite, and a wholly-owned subsidiary of Meteorite would enter into a three-cornered amalgamation agreement. Under the terms of the Agreement, Meteorite will acquire 100% of the issued and outstanding common shares of the Company on the basis of 0.0975 Meteorite common shares per common share of the Company.

Based on the share capital of the Company as at the date of filing, this would result in the 227,880,181 common shares of the Company converted into approximately 22,218,318 common shares of Meteorite. As at March 31, 2020, Meteorite had 7,065,000 common shares outstanding. As a result, the transaction will be treated as a reverse takeover transaction, with the Company and its shareholders having control of Meteorite.

In addition, as part of the agreement, Meteorite will close a private placement offering of \$0.225 common share units to raise proceeds of \$2,000,000 to \$2,250,000, where each unit is comprised of common share of Meteorite and one-half of one whole share purchase warrant where each whole share purchase warrant can be exercised into one common share at \$0.35 per share for a period of 24 months from the closing date of the transaction.

As part of the transaction with Meteorite, the Company received an advance of \$25,000 from Meteorite on April 17, 2020 in exchange for the delivery of a promissory note by the Company. Under the terms of the note, the amount is unsecured, bears interest at 6.5% per annum, and is due on June 30, 2020.

- (b) Subsequent to December 31, 2019, the Company issued 52,368,982 common shares for the settlement of \$1,413,302 of outstanding accounts payable and loans payable.
- (c) On March 1, 2020, the Company issued 1,221,666 common shares for proceeds of \$36,650.
- (d) On March 31, 2020, the Company issued 166,667 common shares for the \$20,000 of shares subscriptions received as at December 31, 2019.
- (e) Subsequent to the year ended December 31, 2019, the Company issued 1,200,000 common shares for proceeds of \$12 pursuant to the exercise of stock options.

SPARKIT MEDIA INC.

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

13. Subsequent Events (continued)

- (f) Subsequent to December 31, 2019, the Company cancelled 5,000,000 stock options exercisable at \$0.05 per share that expire on March 1, 2023, 5,700,000 stock options exercisable at \$0.05 per share that expire on March 14, 2023, and 1,250,000 stock options exercisable at \$0.12 per share that expire on March 31, 2023.
- (g) Subsequent to December 31, 2019, the Company received \$225,000 from Meteorite in a note payable. Under the terms of the note payable, the amount owing is unsecured, bears interest at 6.5% per annum, and is due on demand.

Schedule "F"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF SPARKIT MEDIA FOR THE YEAR ENDED
DECEMBER 31, 2019



SPARKIT MEDIA INC.

Management Discussion and Analysis

For years ended December 31, 2019 and 2018

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements and related notes thereto of Sparkit Media Inc. ("Sparkit" or "us" or "we" or "our" or the "Company") for the years ended December 31, 2019 and 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars unless otherwise stated. This MD&A has been prepared as of September 14, 2020 and includes certain statements that may be deemed "forward-looking statements".

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, "Forward-Looking Statements") and the Company cautions investors about important factors that could cause the Company's actual results to differ materially from those expressed, implied or projected in any Forward-Looking Statements included in this MD&A. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "may", "could", "believes", "estimates", "intends", "plans", "forecast", "projection" and "outlook") are not historical facts and may be Forward-Looking Statements that involve projections, estimates, assumptions, known and unknown risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such Forward-Looking Statements or otherwise be materially inaccurate. No assurance can be given that these expectations or assumptions will prove to be correct and such Forward-Looking Statements included in this MD&A should not be unduly relied upon. These Forward-Looking Statements speak only to management's beliefs and expectations as of the date of this MD&A and will be updated only as required by applicable securities laws. Accordingly, any such statements are qualified in their entirety by reference to the information discussed throughout this MD&A. The Company's Forward-Looking Statements are expressly qualified in their entirety by this cautionary statement. In particular, but without limiting the foregoing, disclosure in this MD&A under the heading "Business Overview" as well as statements regarding the Company's objectives, plans, goals, future operating results, economic performance and customer acquisition efforts may make reference to or involve Forward-Looking Statements. See the discussion under the heading "Risks and Uncertainties" for further details.

The Company cautions that the list and description of the Forward-Looking Statements, risks, assumptions and uncertainties set out above is not exhaustive.

DESCRIPTION OF BUSINESS

Sparkit is a privately held company existing under the *Business Corporations Act* (British Columbia). The Company was originally incorporated under the name Peeppl Media Inc. on August 21, 2013 and changed the name of the Company to Sparkit Media Inc on October 30, 2015. It is a B2B technology Company that was created to launch the first "Fan Directed Media Network" to allow individuals with hundreds of thousands of followers on social media ("Influencers") to create engaging media content for fans to consume online. The primary focus of Sparkit is to facilitate the creation and delivery of sponsored campaigns of crowd sourced videos (called Sparks) from Influencers. Sparkit's platform accelerates the process of turning this fan engagement with Influencers directly into social public relations ("PR") and sales conversions for e-commerce brands ("Brands"), as well as providing real-time data and tracking tools to support Influencers and Brands in effectively engaging audiences to drive sales — all in one seamless solution. The head office and registered office of the Company is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

On May 19, 2020, the Company signed a binder letter agreement with Meteorite Capital Inc. (TSX-V:MTR) ("Meteorite"), whereby the Company, Meteorite, and a wholly-owned subsidiary of Meteorite would enter into a three-cornered amalgamation agreement (the "Transaction" or "Qualifying Transaction"). Under the terms of the Agreement, Meteorite will acquire 100% of the issued and outstanding common shares of the Company on the basis of 0.0975 Meteorite common shares per common share of the Company. Based on the share capital of the Company as at the date of this MD&A, the 227,880,181 common shares of the Company will convert into approximately 22,218,318 common shares of Meteorite and as a result, the transaction will be treated as a reverse takeover transaction, with the Company and its shareholders having control of Meteorite.

In addition, Meteorite will close a private placement offering of \$0.225 common share units to raise proceeds of \$1,750,000 to \$2,250,000, where each unit is comprised of one common share of Meteorite and one-half common share purchase warrant where each whole warrant can be exercised into one common share at \$0.35 per share for a period of 24 months from the closing date of the transaction. As part of the transaction with Meteorite, the Company has received advances of \$225,000 from Meteorite in exchange for the delivery of a promissory note by the Company. Under the terms of the note, the amount is secured by a general security agreement, bears interest at 6.5% per annum, and is due on demand.

BUSINESS OVERVIEW

The primary focus of the Company is to facilitate the creation and delivery of sponsored campaigns of crowd sourced videos (“Sparks”) from Influencers. The Company’s platform accelerates the process of turning this fan engagement with Influencers directly into social public relations (“PR”) and sales conversions for e-commerce brands, as well as providing real-time data and tracking tools to support Influencers and brands in effectively engaging audiences to drive sales. The Company commenced research and development in 2014 and beta launched the platform with its strategic investor Ad Agency, DDB, in Q4 of 2018. In 2019 the Company continued developing its platform until its formal launch with a strategic account, Amazon Audible division.

The Company’s website, Sparkit.buzz (the “Website”), is an HTML 5 web site and social network that has the ability to overlay with an Influencer’s Social Media Accounts. The Website’s overlay functionality means that Sparkit.buzz content can be shared simultaneously on other social networks when an Influencer posts to their Sparkit.buzz account. The Company intends to add overlay support for other social media sites in the future as sites become popular with sponsoring brands.

The Website allows Influencer to periodically post “Spark Set-ups” and “Sparks”. Spark Set-ups invite fans to interact with Influencers by answering a question or providing suggestions as to what action a Influencer should take, for example. Sparks, which are typically one to three minute videos, are the big reveal of how an Influencer either responded to a suggestion from a fan through Sparkit.buzz or otherwise incorporated a fan idea. Sparkit.buzz technology enables Influencers to curate the best ideas from fans, thereby giving their Sparks, the best chance to have an impact with fans on social media. Initially, the most active Influencers on Sparkit.buzz have been from the entertainment and music industry.

The Company is currently working with its partners to expand the number of Influencers and Brands active on the Website. In addition, the Company is developing relationships with various television networks in the hopes such networks will advertise on Sparkit.buzz and encourage Influencers affiliated with their networks to become active on the Website.

Influencers and their social media fans follow distinctive patterns of media consumption online which allows for the development of predictive statistical outcomes for advertisement engagement. Influencers often have a digital partner or digital teams who are very involved in posting to the Influencer’s social media accounts, or at the very least holding their camera. Sparkit Media believes that an Influencer’s primary reasons for being on any social media platform are to connect with existing fans, obtain new fans and/or to generate income.

Sparkit’s principal market is companies that place considerable emphasis on digital or online marketing, on one or more of the large social media platforms. Sparkit distributes its services by forming engagements with both ends of the e-commerce - influencer marketing relationship: first, Sparkit contracts with an e-Seller for an ad campaign, and then in turn solicits marketing efforts from its deep pool of Influencers, in exchange for a portion of the ad spend. In essence, the Influencers compete for a stated “purse” that is funded by the e-Seller. Sparkit provides the technology that allows for the means and scoreboard by which this competition plays out over the major social media platforms.

Currently, the Company is in the early-revenue stages and it has placed considerable internal and external significance on its contract with Amazon Audible and while there is no reason to believe that a negative renegotiation or termination of this contract is likely, at this point either event would be materially detrimental to Sparkit. Further, the seasonality of the Company’s revenue is directly affected by its customers online advertising expenditures, to the extent that such companies’ advertising spending patterns are seasonal, so to would the revenue of Sparkit. For instance, increased spending during the Christmas holiday period, Super Bowl, Black Friday and other high marketing-spend times would positively correlate to the Company’s revenue generation.

Market

Sparkit operates in the digital/online marketing segment, particularly in the realm of influencer marketing, presently in Canada, but future plans include US operations. There are no market trends that are anticipated to negatively affect Sparkit's ability to meet its targets. In today's social-media driven economy, fans and consumers rely on the opinions and reputations of trusted Influencers as sources of guidance.

As traditional advertising techniques continue to lose effectiveness, native online advertising, and crowdsourced/user generated content are on the rise. These channels heavily rely on influencers (and their persuasion with fans) to work effectively. Sparkit takes advantage of this new Fan-Influencer-Brand relationship to drive online engagement and sales. Influencer marketing works because it's authentic. The key to influencer marketing is high-quality content that can be viewed, shared, repurposed and promoted via online campaigns. The content that influencers create to engage their fans is the currency that enables influencer marketing to thrive.

The Sparkit platform is a new technology eco-system that streamlines and accelerates the process of turning fan engagement (influence) into sales conversions for brands that desperately seek to improve marketing ROI and prove attribution. Given Sparkit's relatively new entrance into the influencer marketing space, broad market acceptance does not yet exist. However, trial campaigns have been run for both DDB and Amazon Audible division, and the performance metrics and results were as forecast by Sparkit. Both of Amazon and DDB operate at arm's length to the Company and have entered into these testing arrangements as a precursor to determining whether to enter into a larger and more comprehensive engagement with Sparkit.

Obsolescence is more of a factor for Sparkit competitors than for Sparkit. The limits of legacy online advertising have been reached. Internet users are fatigued by pop-ups and banner ads, and countermeasures such as spam filters and blockers have degraded the effectiveness of email marketing. Click-throughs and trust for each of these marketing strategies are declining and fraud is escalating. There are no material market controls or regulations within the market segment and or geographical area occupied by the Company that would affect the marketing of its products.

Marketing Plans and Strategies

As the platform is a B2B operation, marketing programs are more akin to rifle shots than shotgun blasts. Targets are identified, chosen and pursued with considerable care. While campaign trials generate some revenue, there is considerable client-specific coding and software integration that needs to take place for a trial to operate. To date, direct solicitation has proven to be the most effective marketing method.

The pricing policy of Sparkit is to base fees charged as a proportion of the client's campaign budget. Sparkit campaign budgets are called Purse Amounts ("Purse"). The campaign Purse is syndicated to Influencers who are interested in increasing social engagement and generating a new revenue stream. Influencers are also given details on how they will be paid based on specific data points (click through rate ("CTR,") impressions, conversions etc.). Influencers who are first to respond to a campaign invitation and motivate fans to engage in the various marketing data points are then compensated accordingly.

A campaign Purse is generally split as follows:

- 30-40% to Influencers
- 10% to Influencer Partner
- 10% for Brand Partner
- 5% for Association Referrals (e.g. TV Network)
- 35-45% Sparkit Revenue

Campaign Purse Amounts can range from \$10,000 - \$50,000 via an agency Partner or directly from a Brand such as Amazon. With the success of an initial campaign, Purse Amounts can be announced as annual budgets (e.g. \$1 M Purse available from Brand ABC). Once a Purse is exhausted, clients are encouraged to re-up their budgets to maintain momentum and secure their connection with Influencers who are performing well for the campaign whether it be the performance-based group (low compensation) or the exclusive group (higher compensation).

Competitive Conditions

Sparkit competitive summary is generally broken into 4 main categories:

1. Video Platform Segment - YouTube, Hulu, TikTok etc.
2. Brand Endorsement Platforms - Niche, Smartviral
3. Influencer Platforms - Backplane, Mobile Roadie
4. Video Social Network - Twitter, Vine, Periscope, Instagram

Across all platforms, the experience from Influencers to fans is essentially the same — broadcast and/or ‘exclusive’ video content. Broadcast based social media, such as Facebook and Twitter have millions of fans for celebrities to engage with, but for the fans, the direct connection with a Celebrity/influencer or ability to impact what they consume from a Celebrity is limited. In addition, Facebook and Twitter do not share revenue with Celebrities and in the case of Facebook, Celebrities may actually be charged to send messages to their own fans. Exclusive content (particularly user generated) is what fans desire the most, and Sparkit therefore continuously strives to enable crowd involvement and participation in creating exclusive content with their favorite Influencer. Concurrently, the ad experience across all social platforms is generally the same, delivering similar results.

With revenue sharing, Sparkit is reshaping the Influencer marketing business model and has delivered promising results in trial campaigns thus far. Management reasonably believes such performance will continue, creating stronger loyalty inside the Influencer community. Specifically, in two trial campaigns completed to-date, Sparkit ad technology has out-performed industry averages on the following metrics:

- 90% cost reduction on social videos
 - Industry average \$100 per 10K followers¹
 - Sparkit average \$10 per 10K followers
- Click-through rate surpassing online ads
 - FB/Instagram/YouTube – 2-3%²
 - Sparkit 10% + click-through-rate
- Conversion rates above Industry average
 - Industry 9.2%³
 - Sparkit 10%+

All social media networks ask for user feedback in the form of “liking” or identifying “favorite” texts, pictures and videos. The behavior is well known among users, but it does not provide meaningful information. Sparkit’s “Likes as Votes” framework delivers a new experience to fans while giving Influencer and Brands concrete data tied to needs, wants, and opinions of a large crowd over existing social media networks.

- Social media networks are designed for people with 250 friends. Custom features are not available for celebrities with 10,000+ followers. On contrast, Sparkit has developed features specifically for fans, celebrities and Brands to which other social media companies are unable to compete.
- Even though Sparkit is focused on an asynchronous video dialogue – not live – to reach a broader audience, its crowdsourcing capability is invaluable for decisions/opinions/choice. The decision-making process can be any format including text response, images, or video. The results of which have broad applications in sporting decisions, brand development, politics, corporate governance, charitable causes, social causes etc.

1 Source : <https://www.usatoday.com/story/tech/talkingtech/2019/07/10/how-much-money-could-you-make-as-youtube-instagram-influencer/1685467001/#:~:text=Influencers%20with%20up%20to%201,can%20charge%20%24100%2C000%20or%20more>

2 Source: <https://www.wordstream.com/blog/ws/2019/11/12/facebook-ad-benchmarks>

3 Source: <https://www.wordstream.com/blog/ws/2019/11/12/facebook-ad-benchmarks>

- Spark alignment with Ad products are much stronger than traditional Ads since the brand is involved in multiple points of the campaign resulting in a click-through-rate of 10% or more.
- 2020 has seen a sharp rise in the demand and desire for exclusive and/or user generated content. The Sparkit framework is purpose-built to create dynamic exclusive user generated content for fans who have a hand in creating it.

Competition

Without fan engagement there is no monetization through engagement advertising. Social media and specifically, Celebrity social media, is dominated by two different fan options:

1. Broadcast based social media
2. Celebrity or community-based applications.

Broadcast based social media, such as Facebook and Twitter have millions of fans for celebrities to engage with, but for the fans, the direct connection with a Celebrity or ability to impact what they consume from a Celebrity is limited. In addition, Facebook and Twitter do not share revenue with Celebrities and in the case of Facebook, Celebrities may actually be charged to send messages to their own fans.

Celebrity or community-based applications are applications, typically mobile, that Celebrities are either hired to endorse or Celebrities end up involved with because they are promoted by an event such as a concert. Some of these community-based applications do have revenue generating options for Celebrities if they are able to attract their fans to them, but unlike social media channels these applications have a massive sign-up hurdle that can be challenging for consumers to overcome. Low consumer adoption means the advertising revenue possible to share with Celebrities is low.

Competitive Advantages and Long-Term Differentiators

1. Sparkit utilizes a unique propriety approach to collect and rate feedback over social media that facilitates the delivery of engaging media to fans.
2. Typical social media sites do not have a business partnership in place with influencers (i.e. Celebrities). Sparkit can have a business partnership with the largest influencers in social media through sharing revenue from advertisements with Celebrities. Management of Sparkit believes this provides a unique opportunity for Celebrities to monetize their social media presence and will help the Company attract Celebrities to Sparkit.buzz, which in turn will attract fans and generate advertising revenue.
3. Sparkit is able to provide advertisers with access to a highly engaged audience and an ability to put themselves in a tight circle between the fans and the Celebrities in a way that is not currently available over social media.

Outlook and Future Developments

The majority of Company's development efforts are expected to focus on software development that will improve the metrics for Sparkit.buzz, such as fan response rate, sharing, advertising engagement and Celebrity response rates.

Sparkit is both a network for Influencers and a platform from which they can engage and connect with other social networks on behalf of Brand sponsors. The platform portal can be made widely accessible within an organization and is built on AWS so it can scale quickly with broad demand. Unlike a typical social network that often goes directly to Brand clients, the Company has focused on ensuring that everyone active on the Sparkit network and platform have come via its agency Partner programs for Influencers and Brand clients. It is not uncommon for a Brand to have a roster of Influencers they wish to bring to Sparkit, nor is it uncommon for an Influencer agency to have a Brand client they wish to activate on Sparkit. Both use cases have been considered in future platform development. The Company is currently in the last stages of full automation of campaign set-up, management and growth.

The Company also intends to focus on building its relationship with Amazon Audible, as well as increase efforts in its outbound marketing to other e-commerce sellers.

RESULTS OF OPERATIONS

| Selected Operational Information | Year Ended December 31 | |
|---|------------------------|-------------|
| | 2019 | 2018 |
| | \$ | \$ |
| Revenue | - | 25,364 |
| Operating expenses | 330,140 | 376,725 |
| Loss from operations | (330,140) | (362,100) |
| Net loss | (769,653) | (445,572) |
| Net loss per share – basic and diluted | (0.01) | (0.00) |
| Weighted average shares – basic and diluted | 149,560,504 | 124,815,898 |

| Selected Statement of Financial Position Information | December 31 | |
|--|-------------|-------------|
| | 2019 | 2018 |
| | \$ | \$ |
| Cash | 260 | 2 |
| Total assets | 260 | 2 |
| Total liabilities | (1,600,704) | (1,291,477) |
| Shareholders' equity | (1,600,444) | (1,291,475) |

The Company did not earn any revenue in 2019 as it was focusing on the development and launch of its social media platform. The revenue generated in 2018 was as a result of its first trial campaign with DDB.

| Operating Expenses | Year Ended December 31 | |
|-----------------------------------|------------------------|---------|
| | 2019 | 2018 |
| | \$ | \$ |
| Advertising, marketing, and media | 15,917 | 50,606 |
| Consulting fees | 239,400 | 102,473 |
| Office and administrative | 37,369 | 32,094 |
| Professional fees | 25,565 | 160,299 |
| Share-based compensation | 11,889 | 31,253 |
| | 330,140 | 376,725 |

Total expenses were \$330,140 for the year ended December 31, 2019 compared to \$376,725 for the year ended December 31, 2018 and which consists of the following major categories:

Advertising, marketing and media

Advertising, marketing and media decreased by \$34,689 for the year ended December 31, 2019, compared to the same period in 2018, as the Company conserved its cash resources for the formal launch of its platform.

Consulting fees and Professional fees

Combined Consulting fees and Professional were fairly consistent with \$264,965 for the year ended December 31, 2019 compared to \$262,772 for the same period in 2018.

Office and administrative

Office and administrative expenses remained consistent for the year ended December 31, 2019 compared to the year ended December 31, 2018.

Share-based compensation

Share based compensation decreased by \$19,364 due to no stock options issued by the Company in the year ended December 31, 2019 compared to 11,950,000 stock option issued in the year ended December 31, 2018. The expenses of \$11,889 for the year ended December 31, 2019 is as a result of the vesting of the stock options issued in fiscal 2018.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2019, the Company had cash of \$260 and negative working capital \$1,600,444 compared with cash of \$2 and negative working capital of \$1,291,475 at December 31, 2018. The Company did not use any cash in investing activities for the years ended December 31, 2019 and 2018.

Cash raised in financing activities from the year ended December 31, 2019 totaled \$241,206 compared with \$354,257 in the same period in 2018. The decrease is mainly attributable to 11,084,724 common shares issued through a private placement in the year ended December 31, 2018 at a price of \$0.01 per share for net proceeds of \$110,000 whereas no private placements of common shares occurred in the year ended December 31, 2019. The Company did receive \$20,000 in common share purchase subscriptions in the year ended December 31, 2019 and subsequent to year end issued 166,667 common shares in satisfaction of those subscriptions.

Subsequent to December 31, 2019, the Company:

- a) issued 52,368,982 common shares for the settlement of \$1,413,302 of outstanding accounts payable and loans payable.
- b) issued 1,221,666 common shares for proceeds of \$36,650.
- c) issued 166,667 common shares for the \$20,000 of shares subscriptions received as at December 31, 2019.
- d) Company issued 1,200,000 common shares for proceeds of \$12 pursuant to the exercise of stock options.
- e) cancelled 5,000,000 stock options exercisable at \$0.05 per share that expire on March 1, 2023, 5,700,000 stock options exercisable at \$0.05 per share that expire on March 14, 2023, and 1,250,000 stock options exercisable at \$0.12 per share that expire on March 31, 2023.
- f) received \$225,000 from Meteorite in a note payable. Under the terms of the note payable, the amount owing is unsecured, bears interest at 6.5% per annum, and is due on demand.

On March 31, 2019 and October 31, 2019, the Company issued 24,617,260 and 20,762,200 common shares, respectively with a fair value of \$246,173 and \$207,622, respectively, for finance fees relating to outstanding loans payable to third parties.

As with many high-tech companies, the actual future funding requirements may vary from those planned due to a number of factors, including the progress of the software development. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to develop profitable operations in the future. The Company has generated operating losses since inception. These conditions may raise significant doubt about the Company's ability to continue as a going concern. The Company's current plans are to continue to develop its fan directed social media website and to continue to engage celebrities to be active on that website. In addition, the Company is currently seeking additional funding to support operations. The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing to satisfy liabilities as they come due, complete development activities and ultimately to achieve profitable operations. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future. If the Company is unable to obtain adequate financing, the Company will need to curtail operations. The Company's financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern and these adjustments could be material. To date the Company has relied entirely upon the sale of common shares to provide working capital to fund its administration, overhead costs and project development.

SUMMARY OF QUARTERLY RESULTS

| Quarter ended | Total Revenues \$ | Net loss For the Quarter \$ | Net loss Per Share Basic and Diluted \$ |
|--------------------|----------------------|-----------------------------------|---|
| December 31, 2019 | - | (732,801) | (0.01) |
| September 30, 2019 | - | (6,949) | - |
| June 30, 2019 | - | (18,526) | - |
| March 31, 2019 | - | (11,138) | - |
| December 31, 2018 | 25,363 | (275,307) | - |
| September 30, 2018 | - | (35,892) | - |
| June 30, 2018 | - | (101,250) | - |
| March 31, 2018 | - | (33,123) | - |

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

SHARE CAPITAL

| | December 31 2019 | As at the date of this MD&A |
|---------------|---------------------|--------------------------------|
| Common shares | 172,922,866 | 227,880,181 |
| Stock options | 13,150,000 | - |

TRANSACTIONS WITH RELATED PARTIES

The Company had the following related party transactions.

The following expenses were paid to key management personnel of the Company:

| | December 31 2019 \$ | December 31 2018 \$ |
|---------------------------------------|---------------------------|---------------------------|
| Consulting fees | 98,283 | 178,178 |
| Advertising, marketing and media fees | - | 25,000 |

At December 31, 2019, the Company owed \$2,775 (2018 - \$79,710) and \$75,000 (2018 - \$75,000) to the Chief Executive Officer and the Chief Marketing Officer of the Company, respectively. The amounts owing are unsecured, non-interest bearing, and due on demand and have been recorded in accounts payable and accrued liabilities.

CONTINGENCY AND CONTRACTUAL OBLIGATIONS

The Company may enter into contractual agreements from time to time relating to the on-going business activities. As at December 31, 2019, the Company had no commitments.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign exchange risk, credit risk, interest rate risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors. The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is exposed to credit risk. The Company will limit its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. As at December 31, 2019, the Company is not exposed to any significant credit risk.

Currency and interest rate risk

Currency risk is the risk that fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs the Company incurs in its operations. Advertisements are sold in U.S. dollars and the Company's costs are incurred in principally in Canadian and U.S. dollars. The appreciation of the U.S. dollar against the Canadian dollar can increase the realized sales of advertisements. As at December 31, 2019, the Company had \$8,408 (2018 - \$nil) of U.S. dollar denominated accounts payable and accrued liabilities. A 10% change in the foreign exchange rates between the Canadian dollar and the U.S. dollar would not result in a material impact in the Company's financial statements. The Company does not hedge its exposure to foreign currency fluctuations and is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans on settling its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

Fair value hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

During the year ended December 31, 2019, there were no transfers of amounts between fair value levels.

The Company's other financial instruments, including cash, accounts payable and accrued liabilities and loans payable are carried at cost which approximates fair value due to the relatively short maturity of those instruments

RISKS & UNCERTAINTIES

This section discusses factors relating to the business of Sparkit that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive. Sparkit may face additional risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to Sparkit's business have the potential to influence its operations in a materially adverse manner.

Risks Relating to the Qualifying Transaction

Completion of the Qualifying Transaction is subject to a number of conditions, certain of which may be outside the control of both Meteorite and Sparkit Media. There can be no assurance, nor can Meteorite or Sparkit Media provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Qualifying Transaction will be completed as currently contemplated or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Resulting Issuer or the trading price of the Resulting Issuer Shares.

If the Qualifying Transaction is not completed, the market price of the Meteorite Shares may decline to the extent that the current market price reflects a market assumption that the Qualifying Transaction will be completed. In addition, Meteorite and Sparkit Media will each remain liable for significant consulting, accounting and legal costs relating to the Qualifying Transaction and will not realize anticipated benefits of the Qualifying Transaction. If the Qualifying Transaction is not completed and the Meteorite Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Acquisition Agreement.

There is currently no market through which the Sparkit Media Shares may be sold and there is no assurance that the Sparkit Media Shares will be admitted to a listing or qualified for distribution in Canada or any other jurisdiction in the event that the Qualifying Transaction is not completed.

Possible termination of the Acquisition Agreement

Each of Meteorite and Sparkit Media has the right to terminate the Acquisition Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Acquisition Agreement will not be terminated by either Meteorite or Sparkit Media before the completion of the Qualifying Transaction.

Certain costs related to the Qualifying Transaction, such as legal, accounting and certain financial advisor fees must be paid by Meteorite and Sparkit Media even if the Qualifying Transaction is not completed.

Following the completion of the Qualifying Transaction, the Resulting Issuer may issue additional equity securities

Following the completion of the Qualifying Transaction, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing Resulting Issuer shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

Being a Public Company May Increase Price Volatility

In the event the Qualifying Transaction is completed, the Resulting Issuer's status as a reporting issuer may increase price volatility due to various factors, including the ability to buy or sell Resulting Issuer Shares, different market conditions in different capital markets and different trading volumes. In addition, low trading volume may increase the price volatility of the Resulting Issuer Shares. The increased price volatility could adversely affect the results of operations or financial condition.

The pending Qualifying Transaction may divert the attention of Meteorite's and Sparkit Media's management

The pendency of the Qualifying Transaction could cause the attention of Meteorite's and Sparkit Media's management to be diverted from the day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Qualifying Transaction and could have an adverse effect on the business, operating results or prospects of Meteorite or Sparkit Media regardless of whether the Qualifying Transaction is ultimately completed, or of the Resulting Issuer if the Qualifying Transaction is completed.

While the Qualifying Transaction is pending, Meteorite and Sparkit Media are restricted from taking certain actions

The Acquisition Agreement restricts Meteorite and Sparkit Media from taking specified actions until the Qualifying Transaction is completed without the consent of the other party which may adversely affect the ability of each to execute certain business

strategies, including, but not limited to, the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. These restrictions may prevent Meteorite and Sparkit Media from pursuing attractive business opportunities that may arise prior to the completion of the Qualifying Transaction.

The Requirements of Being a Public Resulting Issuer may Strain the Resulting Issuer's Resources

In the event the Qualifying Transaction is completed, the Resulting Issuer will continue Sparkit Media's current business activities. As a reporting issuer, the Resulting Issuer, and its business activities, will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the exchange on which it would be listed and other applicable securities rules and regulations. Compliance with those rules and regulations will increase the Resulting Issuer's legal and financial costs as compared to Sparkit Media's current activities making some activities more difficult, time consuming or costly and increase demand on its systems and resources.

Risks Relating to the Business to be Carried on by the Resulting Issuer

External platform risk – while Sparkit is not aware of any plans by any external social media platform, it is always a risk that such platforms amend their terms of use to prohibit the types of marketing campaigns described herein, or implement fee structures for the same that would render them uneconomical.

Customer loss risk – Sparkit's current customers are few in number and large in size. As such, the departure of any customer (for any reason) would constitute a material loss of revenue.

Entry into market by competitors and IP Infringement - With the predicted immediate success of Sparkit, there is risk that large social media competitors will be drawn to this segment of the digital marketing space and may quickly reverse engineer or otherwise acquire Sparkit's crowdsourcing technology protocols and eco-system.

Influencer legitimacy - Like any platform or agency with a network of influencers, there is risk of "fake"/unqualified influencers signing up.

Partners & agents vet and verify - In many cases Partners, such as Ad Agencies, Talent Agencies or Media Groups such as TV Stations are represented on the Network. There are concerns with group misrepresentation.

Reputational risk – as influencers are independent of both the brand and Sparkit, they may behave and live in any manner they choose. There is therefore a risk that an influencer may exhibit poor judgment, or interact inappropriately with their followers, which would in turn reflect badly upon their partners and result in a decrease in the demand for items they have "pitched".

Decline in social media engagement – the growth of online shopping and digital advertising seems to know no limits, however in the event people revert back to in-store shopping or move on from certain social media channels in lieu of other ones, then the followers of an influencer and level of fan engagement may dwindle to the point of being economically infeasible.

Brand budget, consumer desires - Sparkit's success hinges on scalability of the influencer network, brand budgets and global expansion. There is a risk that Sparkit is unable to scale its influencer network, or that its campaign budgets are too small to attract new or retain existing influencers, or that the appeal of the campaign strategy to consumers decreases in a material fashion.

Payment - Allowing the brand-to-Sparkit-to-influencer-to-fan secured payment through the Sparkit eco-system is subject to applicable regulation; in particular, financial market regulation may require Sparkit to obtain regulatory approvals.

Dependence upon Key Management Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants (the "**Key Personnel**"). The Resulting Issuer's future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Resulting Issuer's ability to execute on its business plan and strategy, and the Resulting Issuer may be unable to find

adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. The Resulting Issuer's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers, directors and consultants.

In addition, the Resulting Issuer may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Internal controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under applicable law, in each case the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and could materially adversely affect the Resulting Issuer.

General Economic Risks

The Resulting Issuer's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact the Resulting Issuer's sales and profitability. Any investors should further consider, among other factors, the Resulting Issuer's prospects for success in light of the risks and uncertainties encountered by companies that, like the Resulting Issuer, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of the Resulting Issuer's business. The Resulting Issuer may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Resulting Issuer fails to do so, it could materially harm the Resulting Issuer's business to the point of having to cease operations and could impair the value of the Resulting Issuer's securities.

Liquidity and Additional Financing

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with

debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

Equity Price Risk

The Resulting Issuer may be exposed to equity price risk as a result of holding long-term investments in other companies. Just as investing in the Resulting Issuer is inherent with risks such as those set out in this Filing Statement, by investing in these other companies, the Resulting Issuer may be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

Unknown Defects and Impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Resulting Issuer to such transaction, which may have a material adverse effect on the Resulting Issuer. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Resulting Issuer enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Resulting Issuer. Any impairment charges on the Resulting Issuer's carrying value of business arrangements could have a material adverse effect on the Resulting Issuer.

Challenging Global Financial Conditions

Global financial conditions have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of the Resulting Issuer, or the ability of the operators of the companies in which the Resulting Issuer will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on the Resulting Issuer and the price of the Resulting Issuer's securities could be adversely affected.

Cybersecurity Risks

The information systems of the Resulting Issuer and any third-party service providers and vendors are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Resulting Issuer depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Resulting Issuer is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Resulting Issuer.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of the Resulting Issuer's board of directors and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

CRITICAL ACCOUNTING JUDGEMENTS & ESTIMATES

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgement in the processing of applying the Company's accounting policies. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, laws and regulations. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the financial statements for the year ended December 31, 2019.

Areas that often require significant management estimates and judgment include going concern assessment, determination of the functional currency, share-based compensation, and deferred tax assets. The following is an outline of the estimates that the Company considers as critical in the preparation of its financial statements:

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company is the Canadian dollar.

Share-based compensation

The Company has recorded share-based compensation using the Black-Scholes Pricing Model, which includes key estimates such as the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's share price, and the risk-free interest rate.

Deferred tax assets

Estimates are required in determining the Company's provision for income taxes. Some of these estimates are based on interpretations of existing tax laws or regulations. Various internal and external factors may have favorable or unfavorable effects on the Company's future effective tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, results of tax audits by tax authorities, future levels of research and development spending, and changes in overall levels of pre-tax earnings. The assessment of whether or not a valuation allowance is required on deferred tax assets often requires significant judgment with regard to management's assessment of the long-range forecast of future taxable income and the evaluation of any tax planning initiatives. Adjustments to the deferred tax valuation allowances are made to earnings in the period when such assessments are made.

Going concern evaluation

The financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used, and such adjustments could be material. The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at December 31, 2019.

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 16 – Leases (“IFRS 16”)

IFRS 16 was issued by the International Accounting Standards Board (“IASB”) replacing IAS 17 – Leases (“IAS 17”) and related interpretations and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the current operating/finance lease dual accounting model for lessees and replaces it with a single, on-balance sheet accounting model, similar to the previous finance lease accounting.

The Company has updated its accounting policy for leasing to reflect the adoption of IFRS 16 as detailed below.

Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

Accounting as a lessee

For contracts that contain a lease, the Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is assessed for impairment losses, should a trigger be identified and adjusted for impairment if required.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability is comprised of fixed lease payments and lease payments in an option renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and lease of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line or other systemic basis over the lease term.

Critical accounting estimates and judgments

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed upon a trigger by a significant event or a significant change in circumstances.

Certain leases contain non-lease components, excluded from the right-of-use asset and lease liability, related to operating charges. Judgment is applied in determination of the stand-alone price of the lease and non-lease components.

Transition to IFRS 16

While Company early adopted IFRS 16 the Company did not have any leases as of December 31, 2019 and 2018, and therefore there was no material impact on the Company's financial statements upon adoption of IFRS 16.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the consolidated financial statements, is the responsibility of management. In the preparation of these consolidated financial statements, estimates are sometimes necessary to make a determination of future value or certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES

Management of the Company has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. There have been no significant changes in the Company's disclosure controls and procedures during the year ended December 31, 2019.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any system of controls and procedures over financial reporting and disclosure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

It was determined by management that certain significant deficiencies existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the Directors.

Schedule "G"
FINANCIAL STATEMENTS OF SPARKIT MEDIA FOR THE SIX MONTH PERIOD ENDED JUNE 30,
2020



Sparkit Media Inc.

Condensed Interim Financial Statements
(Unaudited)

For the three and six months ended June 30, 2020 and 2019
(in Canadian dollars)

Sparkit Media Inc.

Condensed interim statements of financial position
(Expressed in Canadian dollars)

| | | June 30 | December 31 |
|---|------|-------------|-------------|
| | | 2020 | 2019 |
| | Note | \$ | \$ |
| (unaudited) | | | |
| Assets | | | |
| Current assets | | | |
| Cash | | 25,590 | 260 |
| Total assets | | 25,590 | 260 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 4 | 275,517 | 617,499 |
| Deferred revenue | | 98,270 | 55,775 |
| Notes payable | 5 | 95,000 | 927,430 |
| Total liabilities | | 468,787 | 1,600,704 |
| Shareholders' Equity (Deficit) | | | |
| Share capital | 6 | 3,308,560 | 1,650,919 |
| Share based payment reserves | | 51,323 | 73,042 |
| Share subscriptions receivable | | - | 20,000 |
| Equity component of convertible debt | | 92,881 | 92,881 |
| Deficit | | (3,895,961) | (3,437,286) |
| Total shareholders' equity (deficit) | | (443,197) | (1,600,444) |
| Total liabilities and shareholders' equity (deficit) | | 25,590 | 260 |
| Nature of operations and continuance of business (Note 1) | | | |
| Subsequent events (Note 10) | | | |

Clovis Najm

Clovis Najm, Director

Sparkit Media Inc.

Condensed interim statements of operations and comprehensive loss

For the three and six months ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

| | Note | For the three months ended | | For the six months ended | |
|---|------|----------------------------|-----------------|--------------------------|------------------|
| | | June 30 | June 30 | June 30 | June 30 |
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$ | \$ | \$ | \$ |
| Revenue | | 4,731 | - | 7,863 | - |
| Cost of sales | | 1,399 | - | 3,419 | - |
| Gross profit | | 3,332 | - | 4,444 | - |
| Operating expenses | | | | | |
| Advertising, marketing and media | | 11,055 | 5,341 | 27,237 | 5,732 |
| Consulting fees | | 26,247 | 10,500 | 48,024 | 19,713 |
| Office and administration | | 4,289 | 1,789 | 6,736 | 2,872 |
| Professional fees | | 26,278 | 3,020 | 105,170 | 3,356 |
| Share-based compensation | 7 | 1,585 | 1,546 | 8,191 | 7,847 |
| Total expenses | | 69,454 | 22,196 | 195,358 | 39,520 |
| Net loss before other expense | | (66,122) | (22,196) | (190,914) | (39,520) |
| Other expense | | | | | |
| Finance costs | | (87,358) | - | (87,358) | (246,173) |
| Interest expense | | (22,523) | (10,369) | (22,635) | (10,486) |
| Loss on debt settlement | 6 | (157,768) | | (157,768) | |
| Total other expense | | (267,649) | (10,369) | (267,761) | (256,659) |
| Net loss and comprehensive loss | | (333,771) | (32,565) | (458,675) | (296,179) |
| Net loss per share – basic and diluted | | (0.00) | (0.00) | (0.00) | (0.00) |
| Weighted average shares outstanding | | 210,808,747 | 152,160,666 | 182,354,123 | 139,784,032 |

Sparkit Media Inc.

Condensed interim statements of changes in equity

For the six months ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

| | Number of shares | Share capital | Share based payment reserves | Share subscriptions receivable | Equity component of convertible debt | Deficit | Total |
|---|---------------------|------------------|------------------------------------|--------------------------------------|---|--------------------|--------------------|
| | # | \$ | \$ | | \$ | \$ | \$ |
| Balance, December 31, 2018 | 127,543,406 | 1,197,124 | 61,153 | - | 92,881 | (2,642,633) | (1,291,475) |
| Shares issued for finance fee | 24,617,260 | 246,173 | - | - | - | - | 246,173 |
| Fair value of stock options granted | - | - | 7,847 | - | - | - | 7,847 |
| Net loss for the period | - | - | - | - | - | (296,179) | (296,179) |
| Balance, June 30, 2019 | 152,160,666 | 1,443,297 | 69,000 | - | 92,881 | (2,938,812) | (1,333,634) |
| Balance, December 31, 2019 | 172,922,866 | 1,650,919 | 73,042 | 20,000 | 92,881 | (3,437,286) | (1,600,444) |
| Shares issued for cash | 1,388,333 | 56,650 | - | (20,000) | - | - | 36,650 |
| Shares issued pursuant to debt settlement | 52,368,982 | 1,571,069 | - | - | - | - | 1,571,069 |
| Shares issued pursuant to exercise of options | 1,200,000 | 29,922 | (29,910) | - | - | - | 12 |
| Fair value of stock options granted | - | - | 8,191 | - | - | - | 8,191 |
| Net loss for the period | - | - | - | - | - | (458,675) | (458,675) |
| Balance, June 30, 2020 | 227,880,181 | 3,308,560 | 51,323 | - | 92,881 | (3,895,961) | (443,197) |

Sparkit Media Inc.

Condensed interim statements of cash flows

For the six months ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

| | For the six months ended | |
|---|--------------------------|------------|
| | June 30 | |
| | 2020 | 2019 |
| | \$ | \$ |
| Operating activities | | |
| Net loss | (458,675) | (296,179) |
| Items not involving cash: | | |
| Loss on debt settlement | 157,768 | - |
| Shares issued for finance fees | 87,358 | 246,173 |
| Share-based compensation | 8,191 | 7,847 |
| Changes in non-cash working capital | | |
| Accounts payable and accrued liabilities | 56,531 | (35,780) |
| Deferred revenue | 42,495 | 5,775 |
| Net cash used in operating activities | (106,332) | (72,164) |
| Financing activities | | |
| Proceeds from notes payable | 95,000 | 72,890 |
| Proceeds from issuance of common shares | 36,662 | - |
| Net cash provided by financing activities | 131,662 | 72,890 |
| Increase in cash during the period | 25,330 | 726 |
| Cash, beginning of the period | 260 | 2 |
| Cash, end of the period | 25,590 | 728 |
| Non-cash investing and financing activities: | | |
| Shares issued for settlement of debt | 1,325,943 | - |

Sparkit Media Inc.

Notes to the condensed interim financial statements

For the periods ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

1. Nature of operations and continuance of business

Sparkit Media Inc. (the “Company”) is a social media company that provides a media network where fans can interact with celebrities and can contribute exciting ideas that are produced and marketed by the celebrities they admire. The Company has developed a technology that gives celebrities a platform to deliver extremely engaging media over social media.

The Company was incorporated and commenced operations in the province of British Columbia on August 21, 2013 and its registered office is located at Suite 326, 1500 Pendrell Street, Vancouver, BC, Canada, V6G 3A5.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

These condensed interim financial statements have been prepared using the going concern assumption, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company has incurred a net loss of \$458,675, and used \$106,320 of cash for operating activities during the period ended June 30, 2020. As at June 30, 2020, the Company had a working capital deficit of \$443,197 and had a deficit of \$3,895,961. The Company’s current plans are to continue to develop its fan directed social media website and to engage celebrities to be active on that website. In addition, the Company is currently seeking additional funding to support operations. The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing to satisfy liabilities as they come due, complete development activities and ultimately to achieve profitable operations. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future or close transactions at terms that are suitable to the Company. If the Company is unable to obtain adequate financing, the Company will need to curtail operations. These condensed interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

2. Significant accounting policies

a) *Basis of presentation*

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 - *Interim Financial Reporting*, following the same accounting policies and methods of application as those disclosed in the annual audited financial statements for the year ended December 31, 2019. These condensed interim financial statements should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2019, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on November 13, 2020.

b) *Basis of measurement*

These condensed interim financial statements are presented in Canadian dollars and are prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Sparkit Media Inc.

Notes to the condensed interim financial statements

For the periods ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

2. Significant accounting policies (continued)

c) Segments

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

d) Use of Estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgement in the processing of applying the Company's accounting policies. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, laws and regulations. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Significant areas requiring the use of estimates include the fair value of share-based compensation and recoverability of unrecognized deferred income tax assets.

Significant judgments of the Company include:

- Assessment of whether the going concern assumption is appropriate which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.
- Assessing factors for revenue recognition with respect to timing of completion for performance obligations within a contract, and allocating transaction prices to specific performance obligations in cases where the contract does not specify.

e) Revenue

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise significant judgment and make estimates that affect revenue recognition.

The Company's accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligations within the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is earned via contracts with customers to provide video content on the Company's proprietary fan directed advertising platform. Deferred revenue consists of amounts collected from customers where the services have not yet been delivered.

Sparkit Media Inc.

Notes to the condensed interim financial statements

For the periods ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

3. New accounting standards and interpretations

The following IFRS standards have been recently issued by the IASB. Pronouncements that are irrelevant or not expected to have a significant impact have been excluded.

a) Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2022. The Company is currently evaluating the potential impact of these amendments on the Company's financial statements.

4. Accounts payable and accrued liabilities

The summary of the Company's amounts payable is as follows:

| | June 30 2020 | December 31 2019 |
|--------------------------------|-----------------|---------------------|
| | \$ | \$ |
| Trade payables | 70,963 | 355,236 |
| Amounts due to related parties | 5,563 | 77,775 |
| Payroll liabilities | 198,991 | 184,488 |
| | 275,517 | 617,499 |

On June 1, 2020, the Company settled \$398,513 of accounts payable and accrued liabilities with the issuance of common shares. Refer to Note 6(b).

5. Loans payable

As at June 30, 2020, the Company owed \$nil (December 31, 2019 - \$927,430) of loans payable to various related parties and non-related parties. On June 1, 2020, the Company settled the outstanding balances of loans payable with the issuance of common shares. Refer to Note 6(b).

As at June 30, 2020, the Company owed \$95,000 (December 31, 2019 - \$nil) of loans payable to Meteorite, which is secured by a general security agreement, bears interest at 6.5% per annum, and is due on demand.

6. Share capital

a) Authorized

The Company has an unlimited number of authorized shares with no par value.

Sparkit Media Inc.

Notes to the condensed interim financial statements

For the periods ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

6. Share capital (continued)

b) Issued capital

- i. On March 1, 2020, the Company issued 1,221,666 common shares at \$0.03 per share for proceeds of \$36,650. In addition, the Company issued 166,667 common shares for \$20,000 of share subscriptions that were received as at December 31, 2019.
- ii. On June 1, 2020, the Company issued 52,368,982 common shares with a fair value of \$1,571,069 for the settlement of \$398,513 of accounts payable and accrued liabilities, \$927,430 of loans payable, and \$87,358 of finance fees, resulting in a loss on settlement of debt of \$157,768.
- iii. On June 1, 2020, the Company issued 1,200,000 common shares pursuant to the exercise of stock options for proceeds of \$12.

7. Stock options

The Company has established a share purchase option plan ("Plan") whereby the Company's Board of Directors may from time to time grant stock options to employees and non-employees. The maximum number of shares that may be reserved for issuance under the Plan is 10% of the issued and outstanding common shares of the Company. Vesting is determined by the Board of Directors. The continuity of the Company's stock options at June 30, 2020 is as follows:

| | Number outstanding | Weighted average exercise price |
|-------------------------------------|-----------------------|------------------------------------|
| | # | \$ |
| Outstanding at December 31, 2019 | 13,150,000 | 0.08 |
| Exercised | (1,200,000) | 0.00001 |
| Forfeited/Cancelled | (11,950,000) | 0.08 |
| Outstanding at June 30, 2020 | - | - |

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the period ended June 30, 2020, the Company recognized share-based compensation expense of \$8,191 (2019 - \$7,847) in share-based payment reserves, of which \$8,191 (2019 - \$7,847) pertains to officers and directors of the Company. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

| | 2020 | 2019 |
|-------------------------|---------|---------|
| Risk-free interest rate | 1.78% | 1.71% |
| Dividend yield | 0% | 0% |
| Expected life | 5 years | 5 years |
| Expected volatility | 125% | 125% |
| Forfeiture rate | 0% | 0% |

Sparkit Media Inc.

Notes to the condensed interim financial statements

For the periods ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

8. Related parties

In addition to the related party transaction described in note 4 and 5, the Company had the following related party transactions:

a) Compensation of key management personnel

Key management personnel ("KMP") include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The KMP of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to KMP is as follows:

| | For the three months ended June 30 | | For the six months ended June 30 | |
|-----------------|---------------------------------------|-------|-------------------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Consulting fees | 58,426 | 6,000 | 108,749 | 21,106 |
| Total | 58,426 | 6,000 | 108,749 | 20,106 |

9. Segmented Information and Concentration

The Company operated in one segment, the sale of digital advertising, with Canada being the only geographical location. The Company's revenues are comprised from one customer.

10. Subsequent events

- (a) On May 19, 2020, the Company signed a binder letter agreement with Meteorite Capital Inc. (TSX-V; MTR) ("Meteorite"), whereby the Company, Meteorite and a wholly owned subsidiary of Meteorite would enter into a three-cornered amalgamation agreement. Under the terms of the Agreement, Meteorite will acquire 100% of the issued and outstanding common shares of the Company on the basis of 0.0975 Meteorite common shares per each common share of the Company. Based on the share capital of the Company as at the date of filing, this would result in the 227,880,181 common shares of the Company converted into approximately 22,218,318 common shares of Meteorite. As at June 30, 2020, Meteorite had 7,065,000 common shares outstanding. As a result, the transaction will be treated as a reverse takeover transaction, with the Company and its shareholders having control of Meteorite. In addition, as part of the agreement, Meteorite will close a private placement offering of \$0.225 common share units to raise proceeds of \$1,750,000 to \$2,250,000, where each unit is comprised of common shares of Meteorite and one-half common share purchase warrant where each whole common share purchase warrant can be exercised into one common share at \$0.35 per share for a period of 24 months from the closing date. As part of the transaction with Meteorite, the Company has received advances totaling \$225,000 from Meteorite which are secured by a general security agreement, bear interest at 6.5% per annum, and due on demand. As at the date of filing, the acquisition is pending regulatory approval.

Schedule "H"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF SPARKIT MEDIA FOR THE SIX MONTH
PERIOD ENDED JUNE 30, 2020



SPARKIT MEDIA INC.

Management Discussion and Analysis

For the six months ended June 30, 2020

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements and related notes thereto of Sparkit Media Inc. ("Sparkit" or "us" or "we" or "our" or the "Company") for the six months ended June 30, 2020 and the audited financial statements for the year ended December 31, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars unless otherwise stated. This MD&A has been prepared as of November 10, 2020 and includes certain statements that may be deemed "forward-looking statements".

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, "Forward-Looking Statements") and the Company cautions investors about important factors that could cause the Company's actual results to differ materially from those expressed, implied or projected in any Forward-Looking Statements included in this MD&A. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "may", "could", "believes", "estimates", "intends", "plans", "forecast", "projection" and "outlook") are not historical facts and may be Forward-Looking Statements that involve projections, estimates, assumptions, known and unknown risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such Forward-Looking Statements or otherwise be materially inaccurate. No assurance can be given that these expectations or assumptions will prove to be correct and such Forward-Looking Statements included in this MD&A should not be unduly relied upon. These Forward-Looking Statements speak only to management's beliefs and expectations as of the date of this MD&A and will be updated only as required by applicable securities laws. Accordingly, any such statements are qualified in their entirety by reference to the information discussed throughout this MD&A. The Company's Forward-Looking Statements are expressly qualified in their entirety by this cautionary statement. In particular, but without limiting the foregoing, disclosure in this MD&A under the heading "Business Overview" as well as statements regarding the Company's objectives, plans, goals, future operating results, economic performance and customer acquisition efforts may make reference to or involve Forward-Looking Statements. See the discussion under the heading "Risks and Uncertainties" for further details.

The Company cautions that the list and description of the Forward-Looking Statements, risks, assumptions and uncertainties set out above is not exhaustive.

DESCRIPTION OF BUSINESS

Sparkit is a privately held company existing under the *Business Corporations Act* (British Columbia). The Company was originally incorporated under the name Peepl Media Inc. on August 21, 2013 and changed the name of the Company to Sparkit Media Inc on October 30, 2015. It is a B2B technology Company that was created to launch the first "Fan Directed Media Network" to allow individuals with hundreds of thousands of followers on social media ("Influencers") to create engaging media content for fans to consume online. The primary focus of Sparkit is to facilitate the creation and delivery of sponsored campaigns of crowd sourced videos (called Sparks) from Influencers. Sparkit's platform accelerates the process of turning this fan engagement with Influencers directly into social public relations ("PR") and sales conversions for e-commerce brands ("Brands"), as well as providing real-time data and tracking tools to support Influencers and Brands in effectively engaging audiences to drive sales — all in one seamless solution. The head office and registered office of the Company is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

On May 19, 2020, the Company signed a binder letter agreement with Meteorite Capital Inc. (TSX-V:MTR) ("Meteorite"), whereby the Company, Meteorite, and a wholly-owned subsidiary of Meteorite would enter into a three-cornered amalgamation agreement (the "Transaction" or "Qualifying Transaction"). Under the terms of the Agreement, Meteorite will acquire 100% of the issued and outstanding common shares of the Company on the basis of 0.0975 Meteorite common shares per common share of the Company. Based on the share capital of the Company as at the date of this MD&A, the 227,880,181 common shares of the Company will convert into approximately 22,218,318 common shares of Meteorite and as a result, the transaction will be treated as a reverse takeover transaction, with the Company and its shareholders having control of Meteorite.

In addition, Meteorite will close a private placement offering of \$0.225 common share units to raise proceeds of \$1,750,000 to \$2,250,000, where each unit is comprised of one common share of Meteorite and one-half common share purchase warrant where each whole warrant can be exercised into one common share at \$0.35 per share for a period of 24 months from the closing date of the transaction. As part of the transaction with Meteorite, the Company received advances of \$225,000 from Meteorite in exchange for the delivery of a promissory note by the Company. Under the terms of the note, the amount is secured by a general securities agreement, bears interest at 6.5% per annum and is due on demand.

BUSINESS OVERVIEW

The primary focus of the Company is to facilitate the creation and delivery of sponsored campaigns of crowd sourced videos (“Sparks”) from Influencers. The Company’s platform accelerates the process of turning this fan engagement with Influencers directly into social public relations (“PR”) and sales conversions for e-commerce brands, as well as providing real-time data and tracking tools to support Influencers and brands in effectively engaging audiences to drive sales. The Company commenced research and development in 2014 and beta launched the platform with its strategic investor Ad Agency, DDB, in Q4 of 2018. In 2019 the Company continued developing its platform until its formal launch with a strategic account, Amazon Audible division.

The Company’s website, Sparkit.buzz (the “Website”), is an HTML 5 web site and social network that has the ability to overlay with an Influencer’s Social Media Accounts. The Website’s overlay functionality means that Sparkit.buzz content can be shared simultaneously on other social networks when an Influencer posts to their Sparkit.buzz account. The Company intends to add overlay support for other social media sites in the future as sites become popular with sponsoring brands.

The Website allows Influencer to periodically post “Spark Set-ups” and “Sparks”. Spark Set-ups invite fans to interact with Influencers by answering a question or providing suggestions as to what action a Influencer should take, for example. Sparks, which are typically one to three minute videos, are the big reveal of how an Influencer either responded to a suggestion from a fan through Sparkit.buzz or otherwise incorporated a fan idea. Sparkit.buzz technology enables Influencers to curate the best ideas from fans, thereby giving their Sparks, the best chance to have an impact with fans on social media. Initially, the most active Influencers on Sparkit.buzz have been from the entertainment and music industry.

The Company is currently working with its partners to expand the number of Influencers and Brands active on the Website. In addition, the Company is developing relationships with various television networks in the hopes such networks will advertise on Sparkit.buzz and encourage Influencers affiliated with their networks to become active on the Website.

Influencers and their social media fans follow distinctive patterns of media consumption online which allows for the development of predictive statistical outcomes for advertisement engagement. Influencers often have a digital partner or digital teams who are very involved in posting to the Influencer’s social media accounts, or at the very least holding their camera. Sparkit Media believes that an Influencer’s primary reasons for being on any social media platform are to connect with existing fans, obtain new fans and/or to generate income.

Sparkit’s principal market is companies that place considerable emphasis on digital or online marketing, on one or more of the large social media platforms. Sparkit distributes its services by forming engagements with both ends of the e-commerce - influencer marketing relationship: first, Sparkit contracts with an e-Seller for an ad campaign, and then in turn solicits marketing efforts from its deep pool of Influencers, in exchange for a portion of the ad spend. In essence, the Influencers compete for a stated “purse” that is funded by the e-Seller. Sparkit provides the technology that allows for the means and scoreboard by which this competition plays out over the major social media platforms.

Currently, the Company is in the early-revenue stages and it has placed considerable internal and external significance on its contract with Amazon Audible and while there is no reason to believe that a negative renegotiation or termination of this contract is likely, at this point either event would be materially detrimental to Sparkit. Further, the seasonality of the Company’s revenue is directly affected by its customers online advertising expenditures, to the extent that such companies’ advertising spending patterns are seasonal, so too would the revenue of Sparkit. For instance, increased spending during the Christmas holiday period, Super Bowl, Black Friday and other high marketing-spend times would positively correlate to the Company’s revenue generation.

Market

Sparkit operates in the digital/online marketing segment, particularly in the realm of influencer marketing, presently in Canada, but future plans include US operations. There are no market trends that are anticipated to negatively affect Sparkit's ability to meet its targets. In today's social-media driven economy, fans and consumers rely on the opinions and reputations of trusted Influencers as sources of guidance.

As traditional advertising techniques continue to lose effectiveness, native online advertising, and crowdsourced/user generated content are on the rise. These channels heavily rely on influencers (and their persuasion with fans) to work effectively. Sparkit takes advantage of this new Fan-Influencer-Brand relationship to drive online engagement and sales. Influencer marketing works because it's authentic. The key to influencer marketing is high-quality content that can be viewed, shared, repurposed and promoted via online campaigns. The content that influencers create to engage their fans is the currency that enables influencer marketing to thrive.

The Sparkit platform is a new technology eco-system that streamlines and accelerates the process of turning fan engagement (influence) into sales conversions for brands that desperately seek to improve marketing ROI and prove attribution. Given Sparkit's relatively new entrance into the influencer marketing space, broad market acceptance does not yet exist. However, trial campaigns have been run for both DDB and Amazon Audible division, and the performance metrics and results were as forecast by Sparkit. Both of Amazon and DDB operate at arm's length to the Company and have entered into these testing arrangements as a precursor to determining whether to enter into a larger and more comprehensive engagement with Sparkit.

Obsolescence is more of a factor for Sparkit competitors than for Sparkit. The limits of legacy online advertising have been reached. Internet users are fatigued by pop-ups and banner ads, and countermeasures such as spam filters and blockers have degraded the effectiveness of email marketing. Click-throughs and trust for each of these marketing strategies are declining and fraud is escalating. There are no material market controls or regulations within the market segment and or geographical area occupied by the Company that would affect the marketing of its products.

Marketing Plans and Strategies

As the platform is a B2B operation, marketing programs are more akin to rifle shots than shotgun blasts. Targets are identified, chosen and pursued with considerable care. While campaign trials generate some revenue, there is considerable client-specific coding and software integration that needs to take place for a trial to operate. To date, direct solicitation has proven to be the most effective marketing method.

The pricing policy of Sparkit is to base fees charged as a proportion of the client's campaign budget. Sparkit campaign budgets are called Purse Amounts ("Purse"). The campaign Purse is syndicated to Influencers who are interested in increasing social engagement and generating a new revenue stream. Influencers are also given details on how they will be paid based on specific data points (click through rate ("CTR,") impressions, conversions etc.). Influencers who are first to respond to a campaign invitation and motivate fans to engage in the various marketing data points are then compensated accordingly.

A campaign Purse is generally split as follows:

- 30-40% to Influencers
- 10% to Influencer Partner
- 10% for Brand Partner
- 5% for Association Referrals (e.g. TV Network)
- 35-45% Sparkit Revenue

Campaign Purse Amounts can range from \$10,000 - \$50,000 via an agency Partner or directly from a Brand such as Amazon. With the success of an initial campaign, Purse Amounts can be announced as annual budgets (e.g. \$1 M Purse available from Brand ABC). Once a Purse is exhausted, clients are encouraged to re-up their budgets to maintain momentum and secure their connection with Influencers who are performing well for the campaign whether it be the performance-based group (low compensation) or the exclusive group (higher compensation).

Competitive Conditions

Sparkit competitive summary is generally broken into 4 main categories:

1. Video Platform Segment - YouTube, Hulu, TikTok etc.
2. Brand Endorsement Platforms - Niche, Smartviral
3. Influencer Platforms - Backplane, Mobile Roadie
4. Video Social Network - Twitter, Vine, Periscope, Instagram

Across all platforms, the experience from Influencers to fans is essentially the same — broadcast and/or ‘exclusive’ video content. Broadcast based social media, such as Facebook and Twitter have millions of fans for celebrities to engage with, but for the fans, the direct connection with a Celebrity/influencer or ability to impact what they consume from a Celebrity is limited. In addition, Facebook and Twitter do not share revenue with Celebrities and in the case of Facebook, Celebrities may actually be charged to send messages to their own fans. Exclusive content (particularly user generated) is what fans desire the most, and Sparkit therefore continuously strives to enable crowd involvement and participation in creating exclusive content with their favorite Influencer. Concurrently, the ad experience across all social platforms is generally the same, delivering similar results.

With revenue sharing, Sparkit is reshaping the Influencer marketing business model and has delivered promising results in trial campaigns thus far. Management reasonably believes such performance will continue, creating stronger loyalty inside the Influencer community. Specifically, in two trial campaigns completed to-date, Sparkit ad technology has out-performed industry averages on the following metrics:

- 90% cost reduction on social videos
 - Industry average \$100 per 10K followers¹
 - Sparkit average \$10 per 10K followers
- Click-through rate surpassing online ads
 - FB/Instagram/YouTube – 2-3%²
 - Sparkit 10% + click-through-rate
- Conversion rates above Industry average
 - Industry 9.2%³
 - Sparkit 10%+

All social media networks ask for user feedback in the form of “liking” or identifying “favorite” texts, pictures and videos. The behavior is well known among users, but it does not provide meaningful information. Sparkit’s “Likes as Votes” framework delivers a new experience to fans while giving Influencer and Brands concrete data tied to needs, wants, and opinions of a large crowd over existing social media networks.

- Social media networks are designed for people with 250 friends. Custom features are not available for celebrities with 10,000+ followers. On contrast, Sparkit has developed features specifically for fans, celebrities and Brands to which other social media companies are unable to compete.
- Even though Sparkit is focused on an asynchronous video dialogue – not live – to reach a broader audience, its crowdsourcing capability is invaluable for decisions/opinions/choice. The decision-making process can be any format including text response, images, or video. The results of which have broad applications in sporting decisions, brand development, politics, corporate governance, charitable causes, social causes etc.

1 Source : <https://www.usatoday.com/story/tech/talkingtech/2019/07/10/how-much-money-could-you-make-as-youtube-instagram-influencer/1685467001/#:~:text=influencers%20with%20up%20to%201,can%20charge%20%24100%2C000%20or%20more>

2 Source: <https://www.wordstream.com/blog/ws/2019/11/12/facebook-ad-benchmarks>

3 Source: <https://www.wordstream.com/blog/ws/2019/11/12/facebook-ad-benchmarks>

- Spark alignment with Ad products are much stronger than traditional Ads since the brand is involved in multiple points of the campaign resulting in a click-through-rate of 10% or more.
- 2020 has seen a sharp rise in the demand and desire for exclusive and/or user generated content. The Sparkit framework is purpose-built to create dynamic exclusive user generated content for fans who have a hand in creating it.

Competition

Without fan engagement there is no monetization through engagement advertising. Social media and specifically, Celebrity social media, is dominated by two different fan options:

1. Broadcast based social media
2. Celebrity or community-based applications.

Broadcast based social media, such as Facebook and Twitter have millions of fans for celebrities to engage with, but for the fans, the direct connection with a Celebrity or ability to impact what they consume from a Celebrity is limited. In addition, Facebook and Twitter do not share revenue with Celebrities and in the case of Facebook, Celebrities may actually be charged to send messages to their own fans.

Celebrity or community-based applications are applications, typically mobile, that Celebrities are either hired to endorse or Celebrities end up involved with because they are promoted by an event such as a concert. Some of these community-based applications do have revenue generating options for Celebrities if they are able to attract their fans to them, but unlike social media channels these applications have a massive sign-up hurdle that can be challenging for consumers to overcome. Low consumer adoption means the advertising revenue possible to share with Celebrities is low.

Competitive Advantages and Long-Term Differentiators

1. Sparkit utilizes a unique propriety approach to collect and rate feedback over social media that facilitates the delivery of engaging media to fans.
2. Typical social media sites do not have a business partnership in place with influencers (i.e. Celebrities). Sparkit can have a business partnership with the largest influencers in social media through sharing revenue from advertisements with Celebrities. Management of Sparkit believes this provides a unique opportunity for Celebrities to monetize their social media presence and will help the Company attract Celebrities to Sparkit.buzz, which in turn will attract fans and generate advertising revenue.
3. Sparkit is able to provide advertisers with access to a highly engaged audience and an ability to put themselves in a tight circle between the fans and the Celebrities in a way that is not currently available over social media.

Outlook and Future Developments

The majority of Company's development efforts are expected to focus on software development that will improve the metrics for Sparkit.buzz, such as fan response rate, sharing, advertising engagement and Celebrity response rates.

Sparkit is both a network for Influencers and a platform from which they can engage and connect with other social networks on behalf of Brand sponsors. The platform portal can be made widely accessible within an organization and is built on AWS so it can scale quickly with broad demand. Unlike a typical social network that often goes directly to Brand clients, the Company has focused on ensuring that everyone active on the Sparkit network and platform have come via its agency Partner programs for Influencers and Brand clients. It is not uncommon for a Brand to have a roster of Influencers they wish to bring to Sparkit, nor is it uncommon for an Influencer agency to have a Brand client they wish to activate on Sparkit. Both use cases have been considered in future platform development. The Company is currently in the last stages of full automation of campaign set-up, management and growth.

The Company also intends to focus on building its relationship with Amazon Audible, as well as increase efforts in its outbound marketing to other e-commerce sellers.

RESULTS OF OPERATIONS

| Selected Operational Information | Three months ended June 30 | | Six months ended June 30 | |
|---|----------------------------|-------------|--------------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | | | \$ | \$ |
| Revenue | 4,731 | - | 7,863 | - |
| Gross profit | 3,332 | - | 4,444 | - |
| Operating expenses | 69,454 | 22,196 | 195,358 | 39,520 |
| Loss from operations | (66,122) | (22,196) | (190,914) | (39,520) |
| Net loss | (333,771) | (32,565) | (458,675) | (296,179) |
| Net loss per share – basic and diluted | (0.00) | (0.00) | (0.00) | (0.00) |
| Weighted average shares – basic and diluted | 210,808,747 | 152,160,666 | 182,354,123 | 139,784,032 |

| Selected Statement of Financial Position Information | June 30 | December 31 |
|--|-----------|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Cash | 25,590 | 260 |
| Total assets | 25,590 | 260 |
| Total liabilities | 468,787 | 1,600,704 |
| Shareholders' equity | (443,197) | (1,600,444) |

| Operating Expenses | Three months ended June 30 | | Six Months Ended June 30 | |
|-----------------------------------|----------------------------|--------|--------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Advertising, marketing, and media | 11,055 | 5,341 | 27,237 | 5,732 |
| Consulting fees | 26,247 | 10,500 | 48,024 | 19,713 |
| Office and administrative | 4,289 | 1,789 | 6,736 | 2,872 |
| Professional fees | 26,278 | 3,020 | 105,170 | 3,356 |
| Share-based compensation | 1,585 | 1,546 | 8,191 | 7,847 |
| | 69,454 | 22,196 | 195,358 | 39,520 |

Total operating expenses for the three and six months ended June 30, 2020 consists of the following major categories:

Advertising, marketing and media

Advertising, marketing and media expenses has increased to \$11,055 and \$27,237 for the three and six months ended June 30, 2020, respectively compared to \$5,341 and \$5,732 in the 2019 comparative period. The Company anticipates advertising, marketing and media expenses will continue at the same pace as the first six months of fiscal 2020 for the remainder of the year.

Consulting fees

Consulting fees increased to \$26,247 and \$48,024 for the three and six months ended June 30, 2020, respectively compared with \$10,500 and \$19,713 in the comparative 2019 period. The Company anticipates that Consulting fees will increase due to additional fees related to the completion of the Transaction and subsequent ramping up of business operations.

Office and administrative

Office and administrative expenses for the three and six months ended June 30, 2020 increased to \$4,289 and \$6,736, respectively compared with \$1,789 and \$2,872 respectively in the same 2019 periods. Office and administrative expenses are anticipated to be higher for the year due to the additional resources expended for the Transaction.

Professional fees

Professional fees for the three and six months ended June 30, 2012 increased to \$26,278 and \$105,170, respectively compared to \$3,020 and \$3,356 in the three and six months ended June 30, 2019, respectively. The increase is as a result of the additional legal and accounting services required for the Transaction.

Share-based compensation

Share based compensation for the three and six months ended June 30, 2020 is consistent with the three and six month 2019 period.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had cash of \$25,590 and negative working capital \$443,197 compared with cash of \$260 and negative working capital of \$1,600,444 at December 31, 2019. The Company did not use any cash in investing activities for the six-month period ended June 30, 2020.

Cash raised in financing activities from the six months ended June 30, 2020 totaled \$131,662 compared with \$72,164 in the same period in 2019. During the six months ended June 30, 2020, the Company issued 1,388,333 common shares for gross cash proceeds of \$56,650, of which \$20,000 was received in the year ended December 31, 2019 as share subscriptions. Additionally, the Company issued 52,368,982 common shares with a fair value of \$1,571,069 for the settlement of \$398,513 of accounts payable and accrued liabilities, \$927,430 of loans payable, and \$87,358 of finance fees, resulting in a loss on settlement of debt of \$157,768.

During the six months ended June 30, 2020, the Company issued 1,200,000 common shares on the exercise of stock options for gross proceeds of \$12, cancelled 5,000,000 stock options exercisable at \$0.05 per share that expire on March 1, 2023, 5,700,000 stock options exercisable at \$0.05 per share that expire on March 14, 2023, and 1,250,000 stock options exercisable at \$0.12 per share that expire on March 31, 2023.

Additionally, the Company received advances of \$130,000 from Meteorite for a total of \$225,000 Notes outstanding. Under the terms of the Notes, the amounts are secured by a general securities agreement, bear interest at 6.5% per annum and are due on demand.

As with many high-tech companies, the actual future funding requirements may vary from those planned due to a number of factors, including the progress of the software development. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to develop profitable operations in the future. The Company has generated operating losses since inception. These conditions may raise significant doubt about the Company's ability to continue as a going concern. The Company's current plans are to continue to develop its fan directed social media website and to continue to engage celebrities to be active on that website. In addition, the Company is currently seeking additional funding to support operations. The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing to satisfy liabilities as they come due, complete development activities and ultimately to achieve profitable operations. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future. If the Company is unable to obtain adequate financing, the Company will need to curtail operations. The Company's financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern and these adjustments could be material. To date the Company has relied entirely upon the sale of common shares to provide working capital to fund its administration, overhead costs and project development.

SUMMARY OF QUARTERLY RESULTS

| Quarter ended | Total Revenues \$ | Net loss For the Quarter \$ | Net loss Per Share Basic and Diluted \$ |
|--------------------|----------------------|-----------------------------------|---|
| June 30, 2020 | 4,731 | (333,771) | - |
| March 31, 2020 | 3,132 | (124,904) | - |
| December 31, 2019 | - | (744,001) | (0.01) |
| September 30, 2019 | - | (6,949) | - |
| June 30, 2019 | - | (32,565) | - |
| March 31, 2019 | - | (11,138) | - |
| December 31, 2018 | 25,364 | (275,307) | - |
| September 30, 2018 | - | (35,892) | - |

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

SHARE CAPITAL

| | June 30 2020 | As at the date of this MD&A |
|---------------|-----------------|--------------------------------|
| Common shares | 227,880,181 | 227,880,181 |
| Stock options | - | - |

TRANSACTIONS WITH RELATED PARTIES

The Company had the following related party transactions.

The following expenses were paid to key management personnel of the Company:

| | Three months ended June 30 | | Six Months Ended June 30 | |
|-----------------|----------------------------|------------|--------------------------|------------|
| | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| Consulting fees | 58,426 | 6,000 | 108,749 | 20,106 |

CONTINGENCY AND CONTRACTUAL OBLIGATIONS

The Company may enter into contractual agreements from time to time relating to the on-going business activities. As at June 30, 2020, the Company had no commitments.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign exchange risk, credit risk, interest rate risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors. The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is exposed to credit risk. The Company will limit its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. As at June 30, 2020, the Company is not exposed to any significant credit risk.

Currency and interest rate risk

Currency risk is the risk that fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs the Company incurs in its operations. Advertisements are sold in U.S. dollars and the Company's costs are incurred in principally in Canadian and U.S. dollars. The appreciation of the U.S. dollar against the Canadian dollar can increase the realized sales of advertisements. A 10% change in the foreign exchange rates between the Canadian dollar and the U.S. dollar would not result in a material impact in the Company's financial statements. The Company does not hedge its exposure to foreign currency fluctuations and is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans on settling its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

Fair value hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

During the year ended December 31, 2019, there were no transfers of amounts between fair value levels.

The Company's other financial instruments, including cash, accounts payable and accrued liabilities and loans payable are carried at cost which approximates fair value due to the relatively short maturity of those instruments

RISKS & UNCERTAINTIES

This section discusses factors relating to the business of Sparkit that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive. Sparkit may face additional risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to Sparkit's business have the potential to influence its operations in a materially adverse manner.

Risks Relating to the Qualifying Transaction

Completion of the Qualifying Transaction is subject to a number of conditions, certain of which may be outside the control of both Meteorite and Sparkit Media. There can be no assurance, nor can Meteorite or Sparkit Media provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Qualifying Transaction will be completed as currently contemplated or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Resulting Issuer or the trading price of the Resulting Issuer Shares.

If the Qualifying Transaction is not completed, the market price of the Meteorite Shares may decline to the extent that the current market price reflects a market assumption that the Qualifying Transaction will be completed. In addition, Meteorite and Sparkit Media will each remain liable for significant consulting, accounting and legal costs relating to the Qualifying Transaction and will not realize anticipated benefits of the Qualifying Transaction. If the Qualifying Transaction is not completed and the Meteorite Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Acquisition Agreement.

There is currently no market through which the Sparkit Media Shares may be sold and there is no assurance that the Sparkit Media Shares will be admitted to a listing or qualified for distribution in Canada or any other jurisdiction in the event that the Qualifying Transaction is not completed.

Possible termination of the Acquisition Agreement

Each of Meteorite and Sparkit Media has the right to terminate the Acquisition Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Acquisition Agreement will not be terminated by either Meteorite or Sparkit Media before the completion of the Qualifying Transaction.

Certain costs related to the Qualifying Transaction, such as legal, accounting and certain financial advisor fees must be paid by Meteorite and Sparkit Media even if the Qualifying Transaction is not completed.

Following the completion of the Qualifying Transaction, the Resulting Issuer may issue additional equity securities

Following the completion of the Qualifying Transaction, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing Resulting Issuer shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

Being a Public Company May Increase Price Volatility

In the event the Qualifying Transaction is completed, the Resulting Issuer's status as a reporting issuer may increase price volatility due to various factors, including the ability to buy or sell Resulting Issuer Shares, different market conditions in different capital markets and different trading volumes. In addition, low trading volume may increase the price volatility of the Resulting Issuer Shares. The increased price volatility could adversely affect the results of operations or financial condition.

The pending Qualifying Transaction may divert the attention of Meteorite's and Sparkit Media's management

The pendency of the Qualifying Transaction could cause the attention of Meteorite's and Sparkit Media's management to be diverted from the day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Qualifying Transaction and could have an adverse effect on the business, operating results or prospects of Meteorite or Sparkit Media regardless of whether the Qualifying Transaction is ultimately completed, or of the Resulting Issuer if the Qualifying Transaction is completed.

While the Qualifying Transaction is pending, Meteorite and Sparkit Media are restricted from taking certain actions

The Acquisition Agreement restricts Meteorite and Sparkit Media from taking specified actions until the Qualifying Transaction is completed without the consent of the other party which may adversely affect the ability of each to execute certain business strategies, including, but not limited to, the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. These restrictions may prevent Meteorite and Sparkit Media from pursuing attractive business opportunities that may arise prior to the completion of the Qualifying Transaction.

The Requirements of Being a Public Resulting Issuer may Strain the Resulting Issuer's Resources

In the event the Qualifying Transaction is completed, the Resulting Issuer will continue Sparkit Media's current business activities. As a reporting issuer, the Resulting Issuer, and its business activities, will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the exchange on which it would be listed and other applicable securities rules and regulations. Compliance with those rules and regulations will increase the Resulting Issuer's legal and financial costs as compared to Sparkit Media's current activities making some activities more difficult, time consuming or costly and increase demand on its systems and resources.

Risks Relating to the Business to be Carried on by the Resulting Issuer

External platform risk – while Sparkit is not aware of any plans by any external social media platform, it is always a risk that such platforms amend their terms of use to prohibit the types of marketing campaigns described herein, or implement fee structures for the same that would render them uneconomical.

Customer loss risk – Sparkit's current customers are few in number and large in size. As such, the departure of any customer (for any reason) would constitute a material loss of revenue.

Entry into market by competitors and IP Infringement - With the predicted immediate success of Sparkit, there is risk that large social media competitors will be drawn to this segment of the digital marketing space and may quickly reverse engineer or otherwise acquire Sparkit's crowdsourcing technology protocols and eco-system.

Influencer legitimacy - Like any platform or agency with a network of influencers, there is risk of "fake"/unqualified influencers signing up.

Partners & agents vet and verify - In many cases Partners, such as Ad Agencies, Talent Agencies or Media Groups such as TV Stations are represented on the Network. There are concerns with group misrepresentation.

Reputational risk – as influencers are independent of both the brand and Sparkit, they may behave and live in any manner they choose. There is therefore a risk that an influencer may exhibit poor judgment, or interact inappropriately with their followers, which would in turn reflect badly upon their partners and result in a decrease in the demand for items they have "pitched".

Decline in social media engagement – the growth of online shopping and digital advertising seems to know no limits, however in the event people revert back to in-store shopping or move on from certain social media channels in lieu of other ones, then the followers of an influencer and level of fan engagement may dwindle to the point of being economically infeasible.

Brand budget, consumer desires - Sparkit's success hinges on scalability of the influencer network, brand budgets and global expansion. There is a risk that Sparkit is unable to scale its influencer network, or that its campaign budgets are too small to attract new or retain existing influencers, or that the appeal of the campaign strategy to consumers decreases in a material fashion.

Payment - Allowing the brand-to-Sparkit-to-influencer-to-fan secured payment through the Sparkit eco-system is subject to applicable regulation; in particular, financial market regulation may require Sparkit to obtain regulatory approvals.

Dependence upon Key Management Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants (the “**Key Personnel**”). The Resulting Issuer's future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Resulting Issuer's ability to execute on its business plan and strategy, and the Resulting Issuer may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. The Resulting Issuer's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers, directors and consultants.

In addition, the Resulting Issuer may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Internal controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under applicable law, in each case the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and could materially adversely affect the Resulting Issuer.

General Economic Risks

The Resulting Issuer's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact the Resulting Issuer's sales and profitability. Any investors should further consider, among other factors, the Resulting Issuer's prospects for success in light of the risks and uncertainties encountered by companies that, like the Resulting Issuer, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of the Resulting Issuer's business. The Resulting Issuer may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Resulting Issuer fails to do so, it could materially harm the Resulting Issuer's business to the point of having to cease operations and could impair the value of the Resulting Issuer's securities.

Liquidity and Additional Financing

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

Equity Price Risk

The Resulting Issuer may be exposed to equity price risk as a result of holding long-term investments in other companies. Just as investing in the Resulting Issuer is inherent with risks such as those set out in this Filing Statement, by investing in these other companies, the Resulting Issuer may be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

Unknown Defects and Impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Resulting Issuer to such transaction, which may have a material adverse effect on the Resulting Issuer. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Resulting Issuer enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Resulting Issuer. Any impairment charges on the Resulting Issuer's carrying value of business arrangements could have a material adverse effect on the Resulting Issuer.

Challenging Global Financial Conditions

Global financial conditions have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of the Resulting Issuer, or the ability of the operators of the companies in which the Resulting Issuer will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on the Resulting Issuer and the price of the Resulting Issuer's securities could be adversely affected.

Cybersecurity Risks

The information systems of the Resulting Issuer and any third-party service providers and vendors are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Resulting Issuer depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Resulting Issuer is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Resulting Issuer.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of the Resulting Issuer's board of directors and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

CRITICAL ACCOUNTING JUDGEMENTS & ESTIMATES

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgement in the processing of applying the Company's accounting policies. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, laws and regulations. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the financial statements for the year ended December 31, 2019.

Areas that often require significant management estimates and judgment include going concern assessment and determination of the functional currency. The following is an outline of the estimates that the Company considers as critical in the preparation of its financial statements:

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company is the Canadian dollar.

Going concern evaluation

The financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at December 31, 2019.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the consolidated financial statements, is the responsibility of management. In the preparation of these consolidated financial statements, estimates are sometimes necessary to make a determination of future value or certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES

Management of the Company has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. There have been no significant changes in the Company's disclosure controls and procedures during the six months ended June 30, 2020.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any system of controls and procedures over financial reporting and disclosure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

It was determined by management that certain significant deficiencies existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the Directors.

Schedule "T"
**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE RESULTING
ISSUER**

Sparkit Technologies Inc.
Pro Forma Consolidated Statement of Financial Position
At June 30, 2020
UNAUDITED
(in CAD \$, except share amounts)

| | Sparkit Media Inc. (Accounting acquirer) | Meteorite Capital Inc. (Accounting acquiree) | Short-term GIC, loan receivable and intercompany adjustment Note 3 (a) | Cancellation of Sparkit stock options Note 3 (b) | Reclassification of deferred share issue costs Note 3 (d) | Expenses related to Qualifying Transaction Note 3 (e) | Reverse acquisition adjustments - remove Issuer's share capital and equity Note 3 (g) | Reverse acquisition adjustments - issued equity and listing expense Note 3 (f) | Private placement Units and Broker Warrants issued with private placement Note 3 (c) | Resulting Issuer Proforma |
|---|---|---|---|---|--|--|--|---|---|---------------------------|
| Assets | | | | | | | | | | |
| Current | | | | | | | | | | |
| Cash | 25,590 | 6,756 | 175,000 | | | (150,000) | | | 1,840,000 | 1,897,346 |
| Investment in short-term GIC | - | 461,060 | (175,000) | | | | | | | 286,060 |
| Loan receivable | - | 95,680 | (95,680) | | | | | | | - |
| Total current assets | 25,590 | 563,496 | (95,680) | - | - | (150,000) | - | - | 1,840,000 | 2,183,406 |
| Non-current | | | | | | | | | | |
| Deferred share issue costs | - | 57,744 | | | (57,744) | | | | | - |
| Total non-current assets | - | 57,744 | - | - | (57,744) | - | - | - | - | - |
| Total assets | 25,590 | 621,240 | (95,680) | - | (57,744) | (150,000) | - | - | 1,840,000 | 2,183,406 |
| Liabilities | | | | | | | | | | |
| Current | | | | | | | | | | |
| Accounts payable and accrued liabilities | 275,517 | 40,394 | (680) | | | | | | | 315,231 |
| Deferred revenue | 98,270 | | | | | | | | | 98,270 |
| Deferred revenue | 95,000 | | (95,000) | | | | | | | - |
| Total current liabilities | 468,787 | 40,394 | (95,680) | - | - | - | - | - | - | 413,501 |
| Total current and non-current liabilities | 468,787 | 40,394 | (95,680) | - | - | - | - | - | - | 413,501 |
| Shareholders' equity | | | | | | | | | | |
| Share capital | 3,308,560 | 776,233 | | | (57,744) | (150,000) | (718,489) | 1,589,625 | 652,214 | 5,400,399 |
| Contributed surplus | 51,323 | 46,166 | | (51,323) | | | (46,166) | 61,215 | | 61,215 |
| Warrants | - | 39,874 | | | | | (39,874) | 37,524 | 1,187,786 | 1,225,310 |
| Equity component of short-term convertible debt | 92,881 | - | | (92,881) | | | | | | - |
| Deficit | (3,895,961) | (281,427) | | 144,204 | | | 281,427 | (1,165,262) | | (4,917,019) |
| Total shareholders' equity (deficiency) | (443,197) | 580,846 | - | - | (57,744) | (150,000) | (523,102) | 523,102 | 1,840,000 | 1,769,905 |
| Total liabilities and shareholders' equity | 25,590 | 621,240 | (95,680) | - | (57,744) | (150,000) | (523,102) | 523,102 | 1,840,000 | 2,183,406 |

Sparkit Technologies Inc.
Notes to Unaudited Pro Forma Financial Statements
At June 30, 2020
(Expressed in CAD, except share data unless otherwise noted)

1. DESCRIPTION OF THE TRANSACTION

These unaudited pro forma financial statements have been prepared for the purposes of inclusion in the Filing Statement for the proposed business combination (the “Transaction”) of Meteorite Capital Inc. (“Meteorite”, “MTR” or the “Company”) and Sparkit Media Inc. (“Sparkit”). A binding letter agreement (the “Agreement”) was signed on May 18, 2020 in connection with the Transaction, which would result in a reverse take-over of Meteorite by the shareholders of Sparkit.

Pursuant to the terms of the Agreement, Meteorite will acquire 100% of the issued and outstanding securities of Sparkit by way of a “three-cornered” amalgamation pursuant to which Sparkit and a wholly-owned subsidiary of Meteorite, created under the British Columbia Business Corporations Act (“BCBCA”) for the purposes of effecting the Transaction, will amalgamate to form a new wholly-owned subsidiary of Meteorite.

Under the terms of the Agreement, the shareholders of Sparkit (the “Sparkit Shareholders”) will receive 0.0975 Meteorite common shares (each whole share, a “Meteorite Share”) for every one (1) Sparkit Share (the “Exchange Ratio”). These pro forma statements use CAD\$0.225 per share pursuant to the Agreement where Meteorite intends to complete a brokered minimum private placement offering (the “Offering”) of 8,888,889 up to 10,000,000 Meteorite Units (with each Unit comprising one Meteorite share and one half Meteorite common share purchase warrant) at a price of CAD\$0.225 prior to the Transaction becoming effective.

If the minimum number of Meteorite Units are sold, approximately 57% of the total issued and outstanding Resulting Issuer Shares will be owned by former Sparkit Shareholders, and existing Meteorite shareholders and offerees participating in the Offering and the Finders will own 43% of the issued and outstanding Resulting Issuer shares (on a non-diluted basis). Sparkit is considered to be the accounting acquirer in the transaction as its shareholders, as a group, are considered to have obtained control of Meteorite.

2. BASIS OF PREPARATION

The unaudited pro forma statement of financial position as at June 30, 2020 gives effect to the Agreement as if it closed on June 30, 2020.

The pro forma financial statements have been prepared by management of MTR to give effect to the Agreement described in note 1 and have been compiled from and include:

- a) An unaudited pro forma statement of financial position as at June 30, 2020 combining the unaudited interim statement of financial position of Meteorite as at June 30, 2020 with the unaudited interim statement of financial position of Sparkit as at June 30, 2020;

Sparkit Technologies Inc.
Notes to Unaudited Pro Forma Financial Statements
At June 30, 2020
(Expressed in CAD, except share data unless otherwise noted)

2. BASIS OF PREPARATION *(continued)*

The unaudited pro forma financial statements have been compiled using accounting policies consistent with those adopted by the Issuer in accordance with International Financial Reporting Standards (“IFRS”), but do not include all of the disclosures required by IFRS, and should be read in conjunction with the Issuer’s financial statements listed above.

The unaudited pro forma financial information gives effect to Sparkit’s reverse acquisition of Meteorite as if it had occurred at June 30, 2020 for the purposes of the unaudited pro forma financial statements.

Accounting policies used in the preparation of the pro forma financial statements are in accordance with those disclosed in the audited financial statements of the companies mentioned above which were all prepared in accordance IFRS.

The unaudited pro forma financial statements are not necessarily indicative of the results of operations that would have occurred had the reverse acquisition of Meteorite by Sparkit been effected on the dates indicated, nor are the unaudited pro forma financial statements indicative of the results of operation of future periods. Actual amounts recorded upon completion of the proposed acquisition will differ from such unaudited pro forma financial statements. Since the pro forma financial statements have been developed to retroactively show the effect of transactions that are expected to occur or did occur at a later date (even though this was accomplished by following accepted practice and using reasonable assumptions), there are limitations inherent in the very nature of such pro forma data.

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

- a) During the period from July 1, 2020 to the date of this pro forma, the Company partially redeemed \$175,000 of the investment in short-term GIC. In August 2020, \$130,000 of the funds redeemed were advanced to Sparkit carrying an annual interest rate of 6.5% and added to the Meteorite loan receivable balance (bringing the total amount advanced to \$225,000) and to Sparkit’s accounts payable and accrued liabilities balance. An intercompany pro forma elimination has also been recorded to remove the loan receivable Meteorite and corresponding payable of Sparkit following the completion of the Transaction.
- b) Prior to the completion of the Transaction, Sparkit’s 11,950,000 outstanding stock options were cancelled and all convertible notes and debts were deemed have been converted into Sparkit’s shares or cancelled. The stock option cancellation should be accounted for as an acceleration of vesting, with the immediate recognition of the amount that would otherwise have been recognized over the remaining vesting period. The outstanding equity component of the convertible debts and balance that remained in contributed surplus as a result of the cancellation of the options were removed from equity with a corresponding adjustment to deficit.

Sparkit Technologies Inc.
Notes to Unaudited Pro Forma Financial Statements
At June 30, 2020
(Expressed in CAD, except share data unless otherwise noted)

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS *(continued)*

- c) Concurrently with the closing of the Transaction, Meteorite will conduct an Offering for the issuance of a minimum of 8,888,889 and maximum 10,000,000 Meteorite Units for minimum gross proceeds of \$2,000,000 and maximum \$2,250,000. Each Unit shall be comprised of one common share and one half (1/2) common share purchase warrant (each, a "Warrant"). Each whole Warrant will entitle its holder to purchase one common share at a price of \$0.35 for a period of 24 months following the completion of the Transaction.

Assuming the minimum number of Units will be issued concurrently with the closing of the Transaction, Meteorite would issue 8,888,889 Units for gross proceeds of \$2,000,000. The proceeds to be received on the issuance of the common shares and Warrants has been allocated to the respective equity accounts using the residual method, based on the last market price of the Meteorite common shares on the TSXV of \$0.10 with the residual amount of \$0.125 allocated to the Warrants.

There will be a cash commission paid to the agent of 8% on the gross proceeds (\$160,000) resulting in minimum net proceeds of \$1,840,000, as well as broker warrants ("Broker Warrants") issued in the amount of 8% of the number of Units sold (assuming the minimum, 711,111 Broker Warrants). Each Broker Warrant will be exercisable to acquire one Unit at a price of \$0.225 until the date which is 24 months following the completion of the Transaction.

- d) In connection with the Offering, the balance of deferred share issue costs recorded as a non-current asset in Meteorite's statement of financial position of \$57,744 will be reclassified against share capital.
- e) Upon completion of the Transaction, Meteorite will also issue to the Finders an advisory fee of 574,444 shares at a deemed price of \$0.225 per share (the "Finder Shares"). These shares represent equity transaction costs and have been accounted for as both an issuance of shares as well as a deduction from equity of an equal amount. In addition, expenses related to the Qualifying Transaction are expected to be \$150,000 and have also been accounted for as a deduction from equity.

- f) Sparkit Reverse Acquisition

On completion of the Transaction between Sparkit and Meteorite, this transaction will result in a reverse acquisition by Sparkit. Accordingly, Sparkit is the accounting acquirer whereas Meteorite is the accounting acquiree under IFRS. For each one (1) common share of Sparkit, Meteorite will issue 0.0975 of its common shares. See Note 4 – Pro Forma Share Capital.

Sparkit Technologies Inc.
Notes to Unaudited Pro Forma Financial Statements
 At June 30, 2020
 (Expressed in CAD, except share data unless otherwise noted)

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS *(continued)*

Reverse Acquisition Accounting

As Meteorite does not meet the definition of a business under IFRS 3, Business Combinations, the Transaction will be accounted for under IFRS 2, Share Based Payment. Under IFRS 2, the Transaction is measured at the fair value of the Sparkit shares deemed to have been issued by Sparkit to Meteorite shareholders in order for the ownership interest in the combined entity to be the same as if the Transaction had taken the legal form of Sparkit acquiring 100% of Meteorite.

Under reverse acquisition accounting, any difference in the fair value of the Sparkit shares deemed to have been issued by Sparkit (the fair value of the consideration transferred) and the fair value of Meteorite's identifiable net assets acquired represents a listing expense, which has been recorded in retained earnings in the unaudited pro forma statement of financial position.

As noted below for illustrative purposes, Sparkit used a preliminary estimated fair value of \$0.225 per share as consideration transferred to acquire control of Meteorite. The total consideration transferred also includes fair value adjustments to the warrants and stock options held by Meteorite shareholders, which also increases the listing expense. The difference between the fair value of the Sparkit shares deemed to have been issued, the warrants, and the options and the fair value of Meteorite's net assets resulted in a total listing expense of approximately \$1.2 million as follows:

| | |
|---|----------------------------|
| Common share consideration | |
| Common shares deemed issued to Meteorite shareholders | 7,065,000 |
| Estimated fair value of common shares | \$ 0.225 |
| | <u>\$ 1,589,625</u> |
| Estimated fair value of warrants | \$ 37,524 |
| Estimated fair value of stock options | \$ 61,215 |
| Total consideration | <u><u>\$ 1,688,364</u></u> |
| Meteorite's net assets at fair value: | |
| Cash | \$ 86,756 |
| Investment in short-term GIC and loan receivable | \$ 476,740 |
| Accounts payable and accrued liabilities | \$ (40,394) |
| Meteorite's net asset at fair value: | <u><u>\$ 523,102</u></u> |
| Excess (listing expense) | <u><u>\$ 1,165,262</u></u> |

Sparkit Technologies Inc.
Notes to Unaudited Pro Forma Financial Statements
At June 30, 2020
(Expressed in CAD, except share data unless otherwise noted)

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS *(continued)*

Below are assumptions used to estimate the value of the options and warrants:

| | Stock options | Warrants |
|----------------------|----------------------|-----------------|
| Share price | \$0.225 | \$0.225 |
| Exercise price | \$0.15 | \$0.15 |
| Expected volatility | 89% | 89% |
| Expected option life | 1.5 years | 0.019 years |
| Dividend yield | 0% | 0% |
| Risk-free rate | 1.58% | 1.58% |

- g) As part of the reverse acquisition accounting, adjustments have been made to reflect the elimination of Meteorite's historical equity and retained earnings accounts.
- h) With respect to the pro forma effective income tax rate applicable to the consolidated operations of the Resulting Issuer, neither Meteorite nor Sparkit have sufficient revenue at present to support the application of such a rate.

Sparkit Technologies Inc.
Notes to Unaudited Pro Forma Financial Statements
At June 30, 2020
(Expressed in CAD, except share data unless otherwise noted)

4. PRO FORMA SHARE CAPITAL

The table below outlines the effects on the Resulting Issuer's consolidated share capital after giving effect to the pro forma transactions described in Note 3 above:

| Resulting Issuer | | | | | | | |
|---|--------------|-------------------|------------------|------------------|------------------|-----------------|------------------------|
| Issued Securities | Notes | Common shares # | Common shares \$ | Warrants # | Warrants \$ | Stock options # | Contributed surplus \$ |
| Shares outstanding as at June 30, 2020 | 3 (f), 4 (a) | 7,065,000 | 3,308,560 | 500,000 | - | 565,200 | - |
| Shares issued to Sparkit | 4 (a) | 22,218,318 | 1,589,625 | - | 37,524 | - | 61,215 |
| Brokered private placement of Units | 3 (c) | 8,888,889 | 888,889 | 4,444,445 | 1,111,111 | | |
| Brokered private placement of Units - Cash commission and corporate finance fee | 3 (c) | - | (160,000) | | | | |
| Brokered private placement - Broker Warrants as agents' commission | 3 (c) | - | (76,675) | 711,111 | 76,675 | | |
| Expenses related to Qualifying Transaction | 3 (e) | - | (150,000) | | | | |
| Finders' fee related to Transaction | 3 (e) | 574,444 | - | | | | |
| Following completion of Transaction and Offering | | 38,746,651 | 5,400,399 | 5,655,556 | 1,225,310 | 565,200 | 61,215 |

- a) The pro forma financial statements reflect the new issuance of 31,681,651 shares upon closing of the Transaction and Offering, which is comprised of a) the issuance of 8,888,889 and 574,444 shares in connection with the private placement to subscribers of the Offering and the Finders, respectively and b) the issuance of 22,218,318 shares to Sparkit shareholders as part of the Transaction.

ACKNOWLEDGEMENT – PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached Filing Statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Form 3B2 of the TSXV, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the TSXV pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the TSXV for the purposes described in Appendix 6B Form 3B2 or as otherwise identified by the TSXV, from time to time.

SPARKIT MEDIA INC.

METEORITE CAPITAL INC.

Per: “*Clovis Najm*”
Clovis Najm
Chief Executive Officer

Per: “*Ivan Spector*”
Ivan Spector
Chief Executive Officer

CERTIFICATE OF METEORITE

November 27, 2020

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Meteorite Capital Inc. assuming completion of the Qualifying Transaction.

“Ivan Spector”

Ivan Spector
Chief Executive Officer

“Lennie Ryer”

Lennie Ryer
Chief Financial Officer

On behalf of the Board of Directors of Meteorite

“Richard Yanofsky”

Richard Yanofsky
Director

“Charles R. Spector”

Charles R. Spector
Director

CERTIFICATE OF SPARKIT MEDIA INC.

November 27, 2020

The foregoing document, as it relates to Sparkit Media Inc., constitutes full, true and plain disclosure of all material facts relating to the securities of Sparkit Media Inc.

“Clovis Najm”

Clovis Najm
Chief Executive Officer

“Murray Ovens”

Murray Ovens
Chief Financial Officer

On behalf of the Board of Directors of Sparkit Media

“Clovis Najm”

Clovis Najm
Sole Director