

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Meteorite Capital Inc. ("**Meteorite**")
Suite 3900
1 Place Ville-Marie
Montréal, Québec H3B 4M7

2. **Date of Material Change**

May 18, 2020

3. **News Release**

A news release was disseminated through Newsfile on May 19, 2020.

4. **Summary of Material Change**

Meteorite announced the signing of a binding letter agreement (the "**Letter Agreement**") with Sparkit Media Inc. ("**Sparkit**") to complete to complete a transaction that will result in a reverse take-over of Meteorite by the shareholders of Sparkit.

5. **Full Description of Material Change**

Meteorite announced the signing of 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 Meteorite and Sparkit have agreed to complete a transaction that will result in a reverse take-over of Meteorite by the shareholders of Sparkit (the "**Transaction**"). The Letter Agreement was negotiated at arm's length and is effective as of May 18, 2020. All dollar amounts set forth herein are in Canadian dollars.

Sparkit Media Inc. is an Influencer marketing and sales platform with sponsorship capabilities. Sparkit leverages the power of crowdsourcing and voting to use fan-generated ideas to create highly engaging online video "events" for its own digital advertising campaigns. Sparkit amplifies Influencer reach and engagement and monetizes the entire fan base of an Influencer by leveraging traffic from other networks including Instagram, Twitter, Facebook, YouTube and TikTok. Sparkit enables a brand new revenue exchange between consumers, sponsors and Influencers. The registered office of Sparkit is located at 2900 - 550 Burrard Street, Vancouver, V6C 0A3 . Sparkit was incorporated under the British Columbia Business Corporations Act on August 21, 2013

Terms of the Transaction

Prior to the completion of the Transaction, Meteorite shall file articles of amendment to effect a name change (the "**Name Change**") to a name chosen by Sparkit and acceptable to the applicable regulatory authorities and the TSX Venture Exchange (the "**TSXV**").

The Transaction is then expected to proceed by way of a three cornered amalgamation (the "**Amalgamation**") pursuant to which Sparkit shall amalgamate with a wholly-owned subsidiary of Meteorite, and Meteorite will acquire all of the issued and outstanding Common Shares of Sparkit (the "**Sparkit Shares**"), in exchange for Meteorite Common Shares on the basis of 0.0995 Meteorite Common Shares for every one Sparkit Share issued and outstanding (the "**Exchange**").

Ratio”), reflecting a deemed price of \$0.225 per Meteorite Common Share or such other value that is acceptable to Meteorite, Sparkit and the TSXV, such that Sparkit will be a wholly-owned subsidiary of Meteorite as it exists following the completion of the Transaction (the “**Resulting Issuer**”). As a condition to the Amalgamation all outstanding options, convertible notes, convertible debt and any other agreement for the purchase Sparkit Shares shall either have been exercised for their rightful common shares of Sparkit prior to the Amalgamation or cancelled.

Concurrently with the closing of the Transaction, Meteorite 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 Meteorite of a minimum of \$1,755,000 and a maximum of \$2,250,000 (the “**Offering**”), in accordance with the policies of the TSXV. Each Unit shall be comprised of one Common Share and on 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 twenty four (24) months following the completion of the Transaction. The Agents will receive a cash commission (the “**Cash Commission**”) equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants (the “**Broker Warrants**”) that is equal to 8% of the number of Units sold, provided that no Cash Commission will be payable or Broker Warrants issuable for purchasers that are on Meteorite’s President’s List. 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, subject to customary anti-dilution provisions.

The net proceeds from the Offering will be used to expand Sparkit’s business and for general corporate purposes.

The Units (common share and warrants), issued pursuant to the Offering will be offered in minimum subscriptions of 20,000 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 Offering Closing Date.

Insiders, Officers and Board of Directors of the Resulting Issuer

Upon completion of the Transaction, all of the officers and two of the three Meteorite directors will resign and be replaced by nominees of Sparkit. The following sets out the names and backgrounds of the persons that are currently proposed to be the directors and officers of the Resulting Issuer.

Clovis Najm, who 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.

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 will stay on as a director of the Resulting Issuer.

As at the date hereof, the above individuals collectively own, in the aggregate, directly or indirectly, approximately 56.9% of the issued and outstanding Sparkit Common Shares. To the knowledge of Sparkit, the only persons who currently holds more than 10% of the voting securities of Sparkit currently outstanding are Clovis Najm (who owns 56.7% of the issued and outstanding Sparkit Common Shares and is expected to own 33.5% Meteorite Common Shares on completion of the Transaction, based on the minimum subscription being attained), and Gabe Albarian Jr. (who owns 27.3 % of the issued and outstanding Sparkit Common Shares and is expected to own 16.1% Meteorite Common Shares on completion of the Transaction, based on the minimum subscription being attained).

Capitalization

As of the date hereof, (i) Meteorite has 7,065,000 Common Shares issued and outstanding, as well as 500,000 broker warrants (each exercisable to acquire one Meteorite Common Share at a price of \$0.15 per Common Share) and options to acquire an aggregate of 706,500 Common Shares at \$0.15 per Common Share; and (ii) Sparkit has 213,447,865 common shares outstanding and, following the exercise or cancellation of any options and the conversion of all promissory notes and certain outstanding trade payables, will have approximately 223,277,032 common shares outstanding. Prior to the completion of the Transaction, all of the Sparkit Options will have either been exercised into their rightful number of Sparkit Common Shares or cancelled and all of the Sparkit promissory notes and the trade payables will have been converted into Sparkit Common Shares.

Based upon the number of issued and outstanding shares in each of Meteorite and Sparkit on the date hereof, upon completion of the Transaction and the Offering (assuming that it is fully subscribed), it is expected that the Resulting Issuer will have approximately 39,787,222 Common Shares issued and outstanding (non-diluted), of which the current shareholders of Meteorite will hold 7,065,000 Common Shares representing approximately 17.76% (assuming no exercise of any convertible securities of Meteorite prior to closing), the former shareholders of Sparkit will hold 22,222,222 Common Shares representing approximately 55.85% and the purchasers under the Offering will hold 10,000,000 Common Shares representing approximately 25.13%.

In addition, upon completion of the Amalgamation, Transaction and the Offering, the Resulting Issuer will also have outstanding approximately 1,828,722 stock options and broker warrants (not accounting for any exercises thereof).

Financial Information for Sparkit

Meteorite will provide further details in respect of the Transaction and financial information regarding Sparkit, in due course by way of press release. However, Meteorite will make available to the TSXV, all financial information as required by the TSXV and will provide, in a press release to be disseminated at a later date, summary financial information derived from such statements.

Upon completion of the Transaction, it is the intention of the parties that the Resulting Issuer will continue to focus on the current business and affairs of Sparkit and will be an Industrial or Technology Issuer listed on the TSXV.

Conditions to Transaction

The Transaction is subject to various conditions, including as follows:

- completion of satisfactory due diligence;

- completion of the Offering;
- Meteorite and Sparkit entering into a definitive agreement (the “**Definitive Agreement**”) in respect to the Transaction; and
- all requisite shareholder and regulatory approvals relating to the Amalgamation and Transaction, including, without limitation, TSXV approval, will have been obtained.

Additional Information Regarding the Transaction

The final legal structure for the Transaction will be determined after the parties have considered all applicable tax, securities law, and accounting efficiencies.

The Letter Agreement contains standard confidentiality, access to information and non-solicitation provisions.

The Transaction is expected to be completed on or about July 31, 2020. The Letter Agreement may be terminated upon mutual written agreement of the parties, in the event of any breach by Sparkit of the standstill provisions, in the event the Definitive Agreement is not entered into by June 30, 2020.

Meteorite exists under the provisions of the *Canada Business Corporations Act* with its registered and head office located at 1 Place Ville Marie, Suite 3900, Montreal, Québec. It is a capital pool company and intends for the Transaction to constitute its “Qualifying Transaction” as such term is defined in the policies of the TSXV. Meteorite is a “reporting issuer” within the meaning of the Securities Act of each of the Provinces of British Columbia, Alberta, Ontario and Québec.

Since the Transaction is an arm’s length transaction, Meteorite is not required to obtain shareholder approval for the Transaction. However, it will be required to obtain shareholder approval of the Name Change. The Transaction is also subject to shareholder approval of Sparkit.

Meteorite has also agreed to issue to the Agent and other parties who assisted in locating the target and advising upon the completion of the Qualifying Transaction, an advisory fee of 500,000 of Meteorite common shares at a deemed price of \$0.225 per share, for advising Sparkit and Meteorite through the Qualifying Transaction process, representing approximately 1.33% of the common shares of the Resulting Issuer. All of these parties are dealing with Meteorite, Sparkit and the Resulting Issuer at arm’s length.

Meteorite has also agreed, subject to the fulfilment of the conditions set forth in section 8.5 of Policy 2.4, to advance to Sparkit an additional amount of up to \$100,000 in order to allow Sparkit to preserve its assets and business pending the completion of the Qualifying Transaction. The additional advance will be used to continue to allow Sparkit to preserve its assets and business and will be made on similar terms and conditions as the prior advance described below.

On April 19, 2020, Meteorite had previously advanced \$25,000 to Sparkit. This prior advance is payable on June 30, 2020, bears interest at a rate of 6.5% per annum and is memorialized in a promissory note from Sparkit.

Sponsorship

Meteorite proposes to make an application for exemption from the sponsorship requirements of the TSXV in connection with the Transaction. However, there is no assurance that the TSXV will exempt Meteorite from all or part of applicable sponsorship requirements.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to the requirements of the TSXV, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

This material change report contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this material change report. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this material change report, forward-looking statements relate, among other things, to: the terms and conditions of the proposed Amalgamation and Transaction; the terms and conditions of the proposed Offering; use of funds; and the business and operations of the Resulting Issuer after the proposed Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. 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 the forward-looking statements and information contained in this material change report. Except as required by law, Meteorite and Sparkit assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for such reliance.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

For further information contact Charles R. Spector, the Secretary and a director of the Corporation by email at info@Meteoritecapital.com or by telephone at (514) 878-8847.

9. Date of Report

June 3, 2020