FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Sparta Capital Ltd. (the "Corporation")
15920 - 88 Avenue
Edmonton, Alberta T5R 4N4
(780) 489-8334

2. **Date of Material Change**

December 8, 2005

3. **News Release**

A press release was disseminated on December 8, 2005 via Stockwatch.

4. **Summary of Material Change**

Sparta Capital Ltd. announced that it intends to complete a private placement of gross proceeds of up to $150,000 (the "Offering").

5. **Full Description of Material Change**

The Offering, will be for common shares at a price of $0.10 per common share. The Offering is subject to regulatory approval. Each share will have a non-trading warrant attached exercisable at $0.12 per share for a period of 24 months from the anticipated closing date of January 2, 2005.

The Corporation is the Master Sales Agent in the Asia-Pacific region for the Hy-Drive HGS™, an on-board hydrogen generator that produces and injects small amounts of hydrogen into the air intake of an internal combustion engine, enhancing the air mixture and improving the internal combustion process. Under the Master Sales Agent agreement the Corporation must book orders for a minimum of 1,000 units in each country to maintain exclusivity. The Corporation is committed to spend $760,000 to develop the Asian market. Independent test results confirm significant fuel savings, increased horsepower and reduction of exhaust emission, including major reductions of particulate matter, carbon monoxide, carbon dioxide and nitrogen oxides.

Recent independent analyst coverage of Hy-Drive Technologies Ltd., the manufacturer of the Hy-Drive HGS, includes information and discussion related to the Master Sales Agency agreement with the Corporation. To review the analyst coverage you may go directly to the website link:
http://www.spartacapital.com/files/HGS-Initial-Report-12-01-05.pdf

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

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Executive Officer**

The name of the Executive Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Theodore J.A. Rousseau - Chief Financial Officer and Secretary
Telephone: (780) 489-08334

9. **Date of Report**

December 9, 2005