FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

IOU Financial Inc. (“IOU Financial”)
1 Place Ville Marie, suite 1812
Montréal, Québec
H3B 4A9

Item 2 Date of Material Change

March 1 and March 7, 2012

Item 3 News Release

Press releases were issued on March 1 and March 8, 2012 from Montréal, Québec and disseminated by CNW Telbec.

Item 4 Summary of Material Change

IOU Financial announced a proposed private placement of Units and the conclusion of a loan agreement.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On March 1, 2012, IOU Financial announced that it had signed an engagement letter with HDL Capital Corporation (“HDL Capital”), a Toronto-based Exempt Market Dealer, in connection with a proposed private placement of up to approximately CAD$1,000,000 aggregate amount of Units. It is intended that each Unit be priced at $0.40 and be comprised of one Class B common share of IOU Financial (“Class B Share”) and one warrant to purchase a Class B Share at $0.50 per Class B Share within one year of its issuance (a “Warrant”, and together with the Class B Share, collectively a “Unit”). HDL Capital will act as lead placement agent on the proposed private placement. The net proceeds of the proposed private placement will be used by IOU Financial to fund the growth of its US-based operating subsidiary IOU Central Inc. and for general corporate purposes.

Completion of the proposed private placement is subject to the receipt of all regulatory approvals in connection thereof, including the approval of the CNSX. The closing thereof is expected to take place on or about March 31, 2012.

On March 8, 2012, IOU Financial announced that it had entered into a loan agreement (the "Loan Agreement") as of March 7, 2012 with Gus-Kan Inc. ("GKI"), an Ontario-based corporation, and The Marleau Capital Corporation ("MCC") pursuant to which GKI agreed to lend to IOU Financial a principal amount of CAD$300,000 upon the issuance by IOU Financial of a promissory note. Pursuant to the Loan Agreement, GKI will receive 12,000 warrants (the "Warrants") to purchase one Class B common share of IOU Financial at CAD$0.50 within a two-year period of its issuance in favour of GKI. The Warrants will be issued subject to the receipt of all regulatory approvals in connection thereof. The obligations of IOU Financial under the Loan Agreement shall be guaranteed by MCC, as majority shareholder and related party of IOU Financial.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following senior officer of IOU Financial is knowledgeable about the material change and this report:

Philippe Marleau
President & Chief Executive Officer
(514) 789-0694 ext. 225

Item 9 Date of Report

DATED at Montréal, Québec this 12th day of March, 2012.