

FORM 51-102F3

**MATERIAL CHANGE REPORT
UNDER SECTION 7.1 OF NATIONAL INSTRUMENT 51-102**

ITEM 1 NAME AND ADDRESS OF COMPANY

Stem 7 Capital Inc.
Suite 202 - 750 West Pender Street
Vancouver, BC V6C 2T8

ITEM 2 DATE OF MATERIAL CHANGE

May 21, 2016

ITEM 3 NEWS RELEASE

News release dated May 24, 2016 was disseminated through the facilities of Stockwatch and Market News Publishing Inc.

ITEM 4 SUMMARY OF MATERIAL CHANGE

Stem 7 Capital Inc. (the “**Company**”) announces that it has entered into a letter of intent dated May 21, 2016 to acquire 100% of GetCarbids Inc., a private Nevada incorporated corporation.

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

See attached news release.

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

Dave McMillan, Chairman and CEO
Telephone: 778-773-4560

ITEM 9 DATE OF REPORT

May 25, 2016

STEM 7 Capital Inc.

NEWS RELEASE

Stem 7 Capital Announces Signing of Letter of Intent to Acquire 100% of GetCarbids Inc.

May 24, 2016 - Vancouver, B.C. – Stem 7 Capital Inc. (TSXV.NEX: STS.H, Frankfurt: T9NB) (the “Company”) announces that it has entered into a **Letter of Intent (LOI)** dated May 21, 2016 with **GetCarbids Inc.**, a private Nevada incorporated corporation and its’ majority shareholder, Mr. Daniel Langley of Seattle, Washington, to acquire 100% of **GetCarbids Inc.**

Pursuant to the terms of the Letter of Intent, the Company and GetCarbids/Langley will negotiate and enter into a definitive agreement incorporating the principal terms of the contemplated transaction set forth herein and in addition, such other terms and provisions of a more detailed nature as the parties may agree upon. It is intended that the proposed transaction will constitute a “Reverse Takeover” of Stem 7 Capital; as such term is defined under TSX-V Policy 5.2- Changes of Business and Reverse Takeovers.

About GetCarbids Inc.

The primary business of GetCarbids Inc. to date, has been the market development of a “reverse auction” automobile buying solution, targeting the United States multi-billion dollar, new and used automobile market. Initially started as a private venture in 2014, Mr. Langley incorporated GetCarbids Inc in March 2015 with the objective of signing on potential subscriber organizations to create a qualified car buying customer base, initially in the Pacific Northwest, with which to design and implement a platform that would facilitate the “reverse auction” buying solution.

An existing, comparable operation in the United Kingdom (Carwow Ltd.) has found that consumers are utilizing online comparison sites to familiarize themselves with product reviews and pricing information and to obtain the best deal. However, the ability to purchase online was lacking until the UK operation went commercial resulting in significant savings to their subscribers. The UK dealerships have embraced the platform as it provides them with qualified leads resulting in increased sales volumes. In almost 3 years, since its inception in May 2013 and to January 2016, Carwow Ltd., has generated approximately 1 million website users resulting in approximately US\$800,000,000 in new car sales (reference; <https://en.wikipedia.org/wiki/Carwow>).

With the motto, “Now Everyone Wins”, GetCarbids has entered into agreements with Microsoft Corporation, Nike Inc., Boeing Corporation, and the Boeing Employees Credit Union to provide its’ unique car buying experience to their combined 2,380,000 employees and members. In addition, GetCarbids has support from over 150 automobile dealerships anxious to participate in this program. With a substantial, qualified subscriber base, GetCarbids has recently contracted with a qualified software development company to complete the build out of its’ proprietary operating platform targeting a fully operational start-up date of January 1, 2017. This website platform, designed to also be available as an “app” for smart phones, will allow the subscriber to select their desired car and receive bids from nearby dealerships, which will be automatically restricted to the best 5 bids, then compare based on price, location, stock availability etc. The platform will allow subscribers to communicate with the dealers while remaining anonymous until they decide to purchase the vehicle online.

GetCarbids’ initial base revenue model is derived from annual subscriber and dealer fees, starting in year two, plus a dealer fee on each individual sales transaction, starting on commercialization.

Currently, GetCarbids is debt free, with the ongoing monthly platform development expense budgeted at US\$55,000 per month. No executive salaries or other employee fees are contemplated until the platform has been commercialized, which is planned for January 1, 2017.

Terms of Acquisition

Stem 7 Capital will issue 55,000,000 common shares, at a deemed value of CDN\$0.08 per share, to the shareholders of GetCarbids Inc. to acquire 100% of the issued and outstanding shares of GetCarbids Inc. On closing, these shares will be subject to a 36 month, escrow resale restriction, as further defined under TSX-V Policy 5.4, Escrow, Vendor Consideration and Resale Restrictions (Section 5.2- Surplus Securities). A finder's fee comprising a total of 1,100,000 common shares is payable, subject to regulatory approval, and these shares will be subject to a modified release of 1/3 on closing of the transaction and 1/3 on each of the 6th month and 12th month anniversaries.

The current share structure of Stem 7 consists of approximately 6,921,000 common shares, with 1,200,000 warrants exercisable at CDN\$0.10 for 12 months, and there are no options outstanding. With the 55,000,000 shares being issued for the transaction, plus 1,100,000 shares issued for finder's fees, there will be total of 64,221,000 shares issued. In addition, this transaction proposes a CDN\$1,125,000 financing to issue up to 7,500,000 units at CDN\$0.15 per unit, as more described below, which will result in an additional 11,250,000 shares issued (fully diluted). This will result in Stem 7 Capital having issued 75,471,000 shares fully diluted with these shares split as to 55 million or 72.9% to the original GetCarbids shareholders, with the original Stem 7 shareholders as to 8,121,000 or 10.8% and the new financing shareholders at 11,250,000 shares or 14.9% (all figures fully diluted). Fully diluted, the financing and exercising of warrants would generate approx. CDN\$2,182,500 (gross).

On closing, the proposed Board of Directors will consist of 5 shareholders of GetCarbids and 2 Directors from Stem 7 Capital for a total 7 Directors.

As a condition of the acquisition, Stem 7 Capital has agreed to lend GetCarbids sufficient funds, on commercially acceptable terms, for the platform development costs, including trademark, patent filing and other ancillary costs as they arise, on a monthly basis, until the contemplated transaction closes, which is expected between July 31 and August 31, 2016.

GetCarbids and its shareholders are at arm's length to the Company. Upon completion of the transaction the Company will be a technology / marketing company.

Proposed Financing

Stem 7 Capital is proposing a private placement unit financing of up to CDN\$1,125,000 consisting of up to 7,500,000 units priced at CDN\$0.15 per unit. Each unit will consist of 1 share and one half warrant, each full warrant will be exercisable at CDN\$0.25 for 12 months from closing. These funds will be used to pay existing Stem 7 trade payables, anticipated costs of the contemplated transaction, financing fees, GetCarbids platform development costs and general working capital.

Proposed Board of Directors & Officers

Mr. Daniel Langley; Founder of GetCarBids; has over 20 years of executive management experience in the auto industry. Having worked in management at various dealerships in the Pacific Northwest, and having won "high customer satisfaction ratings", he was awarded the "Manager of the Year" from Lexus. In 2006, Dan created the consulting firm, Auto Buyers Club, identifying and evaluating all aspects of dealer operations to identify problems and issues and create solutions including building management

frameworks to produce long term results. In 2011, Dan was brought in as the National Director of Operations for Touch of Black, LLC, an automobile restoration service vendor and during the next 3.5 years was directly responsible for increasing the number of dealers from 30 in Washington State to over 160 dealerships including those in Oregon and Arizona. (Proposed Director, President and CEO)

Mr. Douglas Durst, CPA, MBA, CGMA; has specialized in building and growing high performance, disciplined organizations through the office of the CFO, starting with business and finance strategies, capital management and people alignment, processes and systems. Mr. Durst has significant CFO experience in private and public entities including M&A, post merger integration, venture funding, board relationships, risk mitigation, financial analysis along with internal controls and operations management. During his tenure as CFO/COO and Consulting Partner roles, the companies involved were acquired by larger public and private entities. Having worked for Microsoft as Director of Business Development and then Chase Innovations, which provides interim CFO/COO and consulting services to Microsoft in addition to Delphi, Schneider Trucking etc, Mr. Durst was seconded as Interim CFO/COO to Microsoft (Finance). Mr. Durst continues to consult with various companies, including Microsoft, EMP, Amazon, and the Bill and Melinda Gates Foundation. (Proposed Independent Director)

Mr. Charles Schrank, President and Chief Technology Officer, Diamond Solutions Group (DSG). Privately held DSG has provided internet based, business intelligence and digital marketing solutions since 1995. DSG's global client base includes Fortune 500 companies such as Microsoft, Toyota and Intel. DSG employs a team of project managers, and graphic designers that continue to work with Microsoft on "solutions" involving web management, surface technology, application design, development and testing, web production and project management. (Proposed Director, CTO)

Kevin Iden, Founder and President, Iden's Dealer Services; started in 1989, Iden's Dealer Services (IDS) is the largest and leading provider of auto detailing, reconditioning and protection services in the Pacific Northwest. IDS currently has 22 locations with 180+ employees and still expanding. (Proposed Independent Director)

Jim Aitkins, Founder of The Jacob Group, a marketing, public relations and sales consulting company; Since becoming self-employed, Mr. Aitkins has consulted to numerous companies, in various industries over the last 16 years, which included life insurance training materials, franchise marketing, financial and estate planning marketing strategies, food marketing etc. (Marketing Director)

Michele Calhoun, Founder and CEO of Touch of Black LLC., started in 1996, it has become one of the largest, multi-state exterior trim restoration companies with 164 dealerships, combined, in Washington, Oregon, and Arizona. Ms. Calhoun has direct experience in marketing, finance, cross departmental networking and customer and corporate relationship building strategies. (Proposed Director and COO)

It is contemplated that **Dave McMillan**, currently Chairman and CEO of Stem 7 Capital and **Allan Fabbro**, current an Independent Director and Chairman of the Audit Committee of Stem 7 Capital will remain on the Board of Directors of NEWCO.

Conditions on Closing

The contemplated transaction is subject to a definitive agreement being reached between the parties, in addition to the prospectus level disclosure requirements for the Management Information Circular and or the Filing Statement. As this is a change of business and a change of control, a sponsor and a Stem 7 shareholder meeting may be required. Stem 7 Capital intends to seek a waiver of the shareholder approval and sponsorship requirements if such a waiver is available under Exchange policies. The proposed fi-

nancing must be completed prior to the transaction closing and funds advanced on a monthly basis to fund the GetCarbids platform development.

“Completion of this transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurances that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular and or Filing Statement to be prepared in connection with the transaction, any information released or received with respect to the Change of Business or RTO may not be accurate or complete and should not be relied upon. Trading in the securities of Stem 7 Capital Inc., should be considered highly speculative.”

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.

For additional information, please contact:

Dave McMillan
Chairman & Chief Executive Officer
1-778-773-4560
davemc@telus.net

Al Fabbro
Director
1-604-351-8850
allanjohnfabbro@gmail.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.