

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Strategem Capital Corporation
Suite 410, 325 Howe Street
Vancouver, BC V6C 1Z7

Item 2. Date of Material Change

December 11, 2015

Item 3. News Release

News Release dated December 11, 2015 was disseminated via Marketwired and filed on Sedar on December 11, 2015.

Item 4. Summary of Material Change

On December 11, 2015, the Company announced that it plans to repurchase up to 600,000 of its Class A common shares through a substantial issuer bid and delist from the TSX Venture Exchange (the “**Exchange**”).

On December 1, 2015, the Company completed its normal course issuer bid that was previously announced on June 30, 2015. The Company purchased and cancelled 291,848 of its Shares at an average price of \$1.04 per Share.

On January 18, 2016, it will hold a special meeting of shareholders (the “**Special Meeting**”) to approve an ordinary resolution to authorize the Company to delist its Shares from the Exchange.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

For a full description of the material change, see the press release attached as Schedule “A”.

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

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Kenneth Morgan, President and Chief Executive Officer
Telephone: (604) 692-0073

Item 9. Date of Report

December 17, 2015.

NEWS RELEASE

December 11, 2015

STRATEGEM TO REPURCHASE COMMON SHARES AND DELIST

Vancouver, British Columbia – Strategem Capital Corporation (“**Strategem**” or the “**Company**”) (TSXV: SGE) is pleased to announce that it plans to repurchase a portion of its common shares and delist from the TSX Venture Exchange (the “**Exchange**”) after 14 successful years operating as a merchant bank.

The Company’s Board of Directors has authorized a Substantial Issuer Bid (the “**Offer**”) pursuant to which the Company will offer to purchase for cancellation up to 600,000 of its issued and outstanding Class A common shares (the “**Shares**”) at a purchase price of \$0.90 per Share in cash. The Offer is expected to commence on or about December 18, 2015, provided the Company obtains approval from the Exchange.

On December 1, 2015, the Company completed its normal course issuer bid that was previously announced on June 30, 2015. The Company purchased and cancelled 291,848 of its Shares at an average price of \$1.04 per Share.

On January 18, 2016, it will hold a special meeting of shareholders (the “**Special Meeting**”) to approve an ordinary resolution to authorize the Company to delist its Shares from the Exchange.

Rationale For Liquidation and Delist

Since the financial crisis of 2008, the Company has not found attractive investment opportunities within the small capitalization, early stage company niche in which it specializes. In the Company’s view, the large capitalization sector has offered more opportunity over the past few years. However, the Company feels that the large cap market is already adequately served and is not an area where the Company can provide value. Although its portfolio of primarily large-cap investments has earned the Company significant returns since that time, management believes this space is well served in the marketplace and not one where it can offer good value.

“We started in 2001 with less than CAD \$1.0 million of cash. We had excellent performance during the commodity boom and were fortunate enough to have liquidated many of those investments leading up to the financial crisis,” said Kenneth Morgan, CEO of Strategem. “We distributed CAD \$9.2 million to shareholders in 2009 (\$1.75 per share), and another CAD \$2.6 million in 2013 (\$0.50 per share). We are proud of that track record.”

Other reasons for which the Board believes it is in the best interest of the Minority Shareholders to delist from the Exchange include:

- Upon completion of the Offer, it is possible the Shares would fail to meet the criteria for continued listing on the Exchange. As a result, the Company will realize administrative cost and fee savings.
- As further described in the Company's audited financial statements for the year ended December 31, 2014, the Company filed an appeal to the Tax Court of Canada on April 25, 2015 in connection with certain Canada Revenue Agency Notices of Reassessments whereby the Company was denied capital treatment on a portion of its income (the "**Appeal**"). The Company also filed Notices of Objection for the 2008 and 2009 tax years disputing the timing of certain losses and hopes to recover interest charged for the 2008 tax year. Upon completion of the Appeal, the Company may pursue other business opportunities or may liquidate the Company. The Company does not know how long the Appeal will take, but estimates that the decision may be rendered in 2017. The actual timeframe could vary significantly from the estimate. At this time, the Company is soliciting votes for the delisting only.

Substantial Issuer Bid

The Company's Board of Directors believes that repurchasing the Shares represents an advisable use of Strategem's financial resources and is in the best interest of the Company's shareholders. The Offer provides the Company's shareholders with an opportunity to realize on all or a portion of their investment in the Company.

Details of the Offer, including the full terms and conditions of the Offer and instructions for tendering Shares to the Offer, will be included in the formal offer to purchase and issuer bid circular and other related documents (the "**Offer Documents**"), which are expected to be mailed to shareholders, filed with securities regulators and made available shortly on SEDAR at www.sedar.com. The Offer will not be conditional on any minimum number of Shares being tendered although it is subject to various other conditions that are typical for a transaction of this nature. The Offer is expected to remain open for acceptance until January 29, 2016, unless withdrawn or extended by the Company.

Neither the Company nor its board of directors makes any recommendation to shareholders as to whether to tender or refrain from tendering Shares to the Offer. Shareholders are strongly encouraged to review the Offer Documents carefully and to consult with their financial and tax advisors prior to making any decision with respect to the Offer.

Special General Meeting

The Company will hold a special meeting of shareholders (the "**Special Meeting**") on January 18, 2016 to consider, and if deemed appropriate, to approve an ordinary resolution to authorize the Company to delist its Shares from the Exchange.

The Company will continue to be a "reporting issuer", as defined in the applicable Canadian securities legislation, in the provinces of Alberta and British Columbia, and will continue to provide continuous disclosure information, such as quarterly reports and audited annual financial statements.

Further reasons for the delisting will be set out in the Information Circular to be mailed to shareholders on or about December 16, 2015. The record date for the Special Meeting is December 9, 2015.

About Strategem Capital Corporation

Strategem is a publicly-traded merchant bank involved in acquiring interests in and developing companies with growth potential. The Company takes early debt and/or equity positions in such growth companies. The Company's focus is on companies that explore or develop natural resources.

For further information please contact:

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Kenneth Morgan, President and	Fax: 604-692-0074
Chief Executive Officer	Email: info@strategemcapital.com
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Vancouver, BC	
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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.