FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Midpoint Holdings Ltd. (the "**Company**")
505 Kootenay Street
Nelson, British Columbia V1L 1K9

2. **Date of Material Change**

May 12, 2016.

3. **News Release**

A press release disclosing the material change was released on May 12, 2016, and corrected on May 17, 2016, through the facilities of CNW Group.

4. **Summary of Material Change**

The Company announced that it has closed the second tranche of its previously announced private placement through the issuance of 1,270,000 units ("**Units**") at a price of $0.10 per Unit for total gross proceeds of $127,000 (the "**Offering**"). Each Unit is comprised of one common share (a "**Common Share**") in the capital of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty four (24) months from the closing of the Offering at a price of $0.20 per Common Share, provided that if, at any time after the date that is more than four months and one day following the closing of the Offering, the Common Shares trade on a stock exchange at a volume weighted average trading price of $0.50, or greater, per Common Share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

5. **Full Description of Material Change**

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**").

(a) a description of the transaction and its material terms:

In connection with the Offering, 1,000,000 Units were acquired by an insider of the Company.

(b) the purpose and business reasons for the transaction:

The proceeds of the Offering will be used for general working capital purposes.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The completion of the Offering will provide the Company with funds to be used for general working capital purposes.

(d) **a description of:**

(i) **the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

David Wong, a director and officer of the Company, acquired 1,000,000 Units of the Company.

(ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Following the completion of the Offering, Mr. Wong will own, directly and indirectly, 5,365,000 Common Shares of the Company representing approximately 7.7% of the Company's issued and outstanding Common Shares on a non-diluted basis. If Mr. Wong were to exercise all of his convertible securities he would own, directly and indirectly, 7,915,000 Common Shares, representing approximately 11% of the Company's then outstanding Common Shares, on a partially diluted basis.

(e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors was passed on March 30, 2016 approving the Offering. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

(g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

(i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

(ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

(h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription agreements to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The second tranche of the Offering constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("**MI 61-101**") as an insider of the Company subscribed for 1,000,000 Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the second tranche of the private placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the private placement and complete the Offering in an expeditious manner.

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

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Chris Irwin, Secretary of the Company at (416) 361-2516.

9. Date of Report

This report is dated at Toronto, this 17th day of May, 2016.

MIDPOINT HOLDINGS LTD.

Per: *"Chris Irwin" (Signed)*
Chris Irwin
Secretary

SCHEDULE "A"

MIDPOINT HOLDINGS LTD.
505 Kootenay Street
Nelson, British Columbia V1L 1K9

CORRECTION FROM SOURCE

TORONTO, ONTARIO – May 17, 2016 - Midpoint Holdings Ltd. (the "Company") (TSXV: MPT) - A correction from source is issued with respect to the news release that was disseminated on May 12, 2016 at 5:16 p.m. (Eastern Standard Time). Certain numbers listed under the heading "Early Warning Notice" were incorrect. An amended early warning report will be filed on the Company's issuer profile on SEDAR at www.sedar.com. The correct version of the news release follows:

MIDPOINT ANNOUNCES CLOSING OF SECOND TRANCHE OF PRIVATE PLACEMENT

FOR IMMEDIATE RELEASE

Midpoint Holdings Ltd. (the "**Company**") (TSXV: MPT) is pleased to announce that it has closed the second tranche of its previously announced private placement through the issuance of 1,270,000 units ("**Units**") at a price of $0.10 per Unit for total gross proceeds of $127,000 (the "**Offering**"). Each Unit is comprised of one common share (a "**Common Share**") in the capital of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty four (24) months from the closing of the Offering at a price of $0.20 per Common Share, provided that if, at any time after the date that is more than four months and one day following the closing of the Offering, the Common Shares trade on a stock exchange at a volume weighted average trading price of $0.50, or greater, per Common Share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

The Common Shares and the Warrants comprising the Units issued in connection with the completion of the second tranche of the Offering are subject to a hold period of four months and a day. The proceeds of the Offering will be used for general working capital purposes.

The second tranche of the Offering constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("**MI 61-101**") as an insider of the Company subscribed for 1,000,000 Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the second tranche of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the private placement and complete the Offering in an expeditious manner.

EARLY WARNING NOTICE

Prior to the completion of the second tranche of the Offering, David Wong, a director and officer of the Company owned, directly and indirectly owned 4,365,000 Common Shares of the Company representing approximately 6.4% of the issued and outstanding Common Shares of the Company. Upon completion of the second tranche of the Offering, Mr. Wong will own, directly and indirectly, 5,365,000 Common Shares of the Company representing approximately 7.7% of the Company's issued and outstanding Common Shares on a non-diluted basis. If Mr. Wong were to exercise all of his convertible securities he would own, directly and indirectly, 7,915,000 Common Shares, representing approximately 11% of the Company's then outstanding Common Shares, on a partially diluted basis. Depending on market and other conditions, or as future circumstances may dictate, Mr. Wong may from time to time increase or decrease his holdings of Common Shares or other securities of the Company. This portion of the news release is issued pursuant to National Instrument 62-103 - *The Early Warning System and Related TakeOver*

Bid and Insider Reporting Issues of the Canadian Securities Administrators, which also requires an early warning report to be filed with the applicable securities regulators containing additional information with respect to the foregoing matters. A copy of Mr. Wong's early warning report in respect of this transaction will be available on the Company's issuer profile on SEDAR at www.sedar.com.

The existing shares were acquired for investment purposes. Mr. Wong may, from time to time, on an individual or joint basis, acquire additional securities of the Company, dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold his current position.

For further information, please contact:

Corbin Comishin, Chief Financial Officer
Midpoint Holdings Ltd.
Tel: (250) 352-7667

David Wong
26 Finsbury Square
EC2A 1DS
London, United Kingdom
Tel: +44 20 7448 3081

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release and has neither approved nor disapproved of the contents of this press release.

This news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing Midpoint and its business and affairs, readers should refer to Midpoint's Management's Discussion and Analysis. Midpoint undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.

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