FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Sophia Capital Corp. (the **Company**)
1000 – 595 Burrard St.
Vancouver, BC V7X 1S8

Item 2 Date of Material Change

July 26, 2013

Item 3 News Release

A news release was disseminated on July 26, 2013, via CNW News Group, a copy of which can be found on www.sedar.com.

Item 4 Summary of Material Change

The Company announced that (i) it had reached an agreement to amalgamate with Folkstone Capital Corp. pursuant to the *Business Corporations Act* (British Columbia) and in accordance with the policies of the TSX Venture Exchange (the **Exchange**), and (ii) as it did not complete a Qualifying Transaction (as defined in the Exchange's Policy 2.4 entitled "Capital Pool Companies" (**Policy 2.4**)) by June 3, 2013, trading in the shares of the Company were suspended by the Exchange effective June 4, 2013 for failure to complete a Qualifying Transaction within the prescribed time period in accordance with Policy 2.4.

Item 5 Full Description of Material Change:

Please see attached Schedule "A" for the full text of the news release issued on July 26, 2013.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Mario Miranda
Chief Financial Officer, Secretary, and Director
905.467.5564

Item 9 Date of Report

July 30, 2013

Schedule A

FOLKSTONE CAPITAL CORP. & SOPHIA CAPITAL CORP. ANNOUNCE INTENTION TO COMBINE

Toronto, Ontario (July 26, 2013) – Folkstone Capital Corp. (TSX VENTURE:FKS.P) ("**Folkstone**") and Sophia Capital Corp. (TSX VENTURE:SCQ.P) ("**Sophia**") are pleased to announce that they have entered into an agreement to amalgamate pursuant to the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and in accordance with the policies of the TSX Venture Exchange (the "**Exchange**").

Folkstone and Sophia, as capital pool companies pursuant to Policy 2.4 (*Capital Pool Companies*) of the Exchange ("**Policy 2.4**"), share the sole business objective of identifying and evaluating assets and/or businesses with a view to completing a Qualifying Transaction (as such term is defined in Policy 2.4). Folkstone and Sophia also have identical directors and officers. Management of each of Folkstone and Sophia reviewed several potential opportunities for acquiring a business or assets for the purposes of completing a Qualifying Transaction. However, Folkstone and Sophia each determined that it would be better positioned to complete a Qualifying Transaction as a combined entity (the "**Resulting Issuer**"). The Resulting Issuer will have 12 months from the date the shares of the Resulting Issuer are listed on the Exchange to complete a Qualifying Transaction.

The amalgamation of Folkstone and Sophia (the "**Amalgamation**") is expected to become effective on or before September 3, 2013. It is anticipated that upon completion of the Amalgamation:

(i) each issued and outstanding share of Folkstone will be exchanged for one (1) share of the Resulting Issuer;

(ii) each issued and outstanding share of Sophia will be exchanged for 1.09 shares of the Resulting Issuer;

(iii) each convertible security of Folkstone will automatically entitle the holder thereof to purchase one (1) share of the Resulting Issuer at an exercise price equal to the exercise price specified in the agreement governing such convertible security;

(iv) the directors and officers of the Resulting Issuer will be the current directors and officers of Folkstone and Sophia; and

(v) the auditor of the Resulting Issuer will be Davidson & Company LLP.

Immediately following the completion of the Amalgamation, the shareholders of Folkstone will collectively own 4,150,000 (or 71%) of the shares of the Resulting Issuer and the shareholders of Sophia will collectively own 1,721,233 (or 29%) of the shares of the Resulting Issuer (in each case, calculated on a non-diluted basis). In accordance with Policy 2.4, the share exchange ratio was based on the cash value of each company on a pre-transaction basis.

The Amalgamation is considered a "business combination" and "related party transaction" under Multilateral Instrument 61-101 (*Protection of Minority Security Holders in Special Transactions*) and, accordingly, requires approval by the holders of a majority of the shares of each of Folkstone and Sophia, excluding shares held by interested parties ("**Majority of the Minority Shareholder Approval**") (2,000,000 shares in respect of Folkstone and 500,000 shares in respect of Sophia) at each of the shareholders' meetings to be held by Folkstone and Sophia to seek approval for the Amalgamation on August 27, 2013 (the "**Meetings**"), in addition to the requirements under the BCBCA which require that the Amalgamation be approved by at least two-thirds (66⅔%) of all votes cast at each of the Meetings. As a result, the Amalgamation is conditional upon (among other things) the Amalgamation being approved at each of the Meetings by: (i) special resolution (affirmative vote of at least two-thirds (66⅔%) of the votes cast thereon); and (ii) Majority of the Minority Shareholder Approval. If the requisite shareholder approval is obtained at each of the Meetings, and all of the conditions precedent to the completion of the Amalgamation have been satisfied or waived, Folkstone and Sophia intend to complete the Amalgamation under the BCBCA.

In connection with the Meetings a detailed joint information circular will be prepared and distributed to shareholders and filed on SEDAR. Pursuant to Section 272 of the BCBCA, registered shareholders of Folkstone and Sophia are entitled to dissent in respect of the Amalgamation. If the Amalgamation is completed, dissenting shareholders who have complied with the dissent procedures under Sections 237 to 247 of the BCBCA will be entitled to be paid the fair value of their shares.

Completion of the Amalgamation remains conditional on obtaining all necessary regulatory and shareholder approvals, including the approval of the Exchange.

About Folkstone Capital Corp.

Folkstone is a capital pool company under Policy 2.4. Pursuant to Policy 2.4, Folkstone is required to complete a Qualifying Transaction by November 30, 2013. Folkstone has not commenced operations and has no assets other than cash. Further information about Folkstone, including the audited financial statements for the year ended February 28, 2013, is available under Folkstone's SEDAR profile at www.sedar.com.

About Sophia Capital Corp.

Sophia is a capital pool company under Policy 2.4. Pursuant to Policy 2.4, Sophia was required to complete a Qualifying Transaction by June 3, 2013. As Sophia did not complete a Qualifying Transaction by June 3, 2013, trading in the common shares of Sophia was suspended by the Exchange effective June 4, 2013 for failure to complete a Qualifying Transaction within the prescribed time period in accordance with Policy 2.4. As a result, Sophia was placed by the Exchange on notice to delist and notified that, in order to avoid delisting, it must, on or by September 3, 2013, complete (i) a Qualifying Transaction, (ii) a transfer to the NEX, or (iii) the Amalgamation. Further information about Sophia, including the unaudited financial statements for the three month period ended April 30, 2013 and the audited financial statements for the year ended January 31, 2013, are available under Sophia's SEDAR profile at www.sedar.com.

For further information please contact:

Folkstone Capital Corp.
Mario Miranda
Chief Financial Officer
905.467.5564

Sophia Capital Corp.
Mario Miranda
Chief Financial Officer
905.467.5564

Completion of the Amalgamation is subject to a number of conditions, including Exchange acceptance and disinterested shareholder approval by the shareholders of each of Folkstone and Sophia. The Amalgamation cannot close until the required shareholder approval is obtained. There can be no assurance that the Amalgamation will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the joint management information circular to be prepared in connection with the Amalgamation, any information released or received with respect to the Amalgamation may not be accurate or complete and should not be relied upon. Trading in the securities of Folkstone 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 nor disapproved the contents of this press release.

This news release contains certain forward-looking information. All information, other than information regarding historical fact, that addresses activities, events or developments that Folkstone and Sophia believe, expect or anticipate will or may occur in the future is forward-looking information. Forward-looking *information contained in this news release includes, but may not be limited to, the completion of the Amalgamation and the terms, timing and consequences relating thereto. The forward-looking information contained in this news release reflects the current expectations, assumptions and/or beliefs of Folkstone and Sophia based on information currently available to Folkstone and Sophia. With respect to the forward-looking information contained in this news release, Folkstone and Sophia have made assumptions regarding, among other things, the receipt by Folkstone and Sophia of all necessary approvals to proceed with the completion of the Amalgamation. The forward-looking information contained in this news release is subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations, including delays in obtaining, or a failure to obtain, required regulatory and/or shareholder approvals and/or the inability of Folkstone and Sophia to complete the proposed Amalgamation on the terms set out herein or at all. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable law, Folkstone and Sophia disclaim any obligation to update or modify such forward-looking information, either because of new information, future events or for any other reason.*

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.