

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

August 27, 2013

Item 3 News Release

A news release was disseminated on August 28, 2013, via CNW News Group, a copy of which can be found on www.sedar.com.

Item 4 Summary of Material Change

The Issuer announced that it had completed its amalgamation with Folkstone Capital Corp. ("Folkstone") as detailed in the joint management information circular of the Issuer and Folkstone dated July 28, 2013 and available on SEDAR. The name of the corporation created by the amalgamation is Folkstone Capital Corp.

Item 5 Full Description of Material Change:

Please see attached Schedule "A" for the full text of the news release issued on August 28, 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

August 28, 2013

Schedule A

FOLKSTONE CAPITAL CORP. AND SOPHIA CAPITAL CORP. ANNOUNCE COMPLETION OF AMALGAMATION

Toronto, Ontario (August 28, 2013) – Folkstone Capital Corp. (FKS.P:TSXV) ("**Folkstone**") and Sophia Capital Corp. (SCQ.P:TSXV) ("**Sophia**") are pleased to announce the successful completion of the previously announced amalgamation pursuant to the *Business Corporations Act* (British Columbia) (the "**Amalgamation**") on August 27, 2013. The name of the corporation created by the Amalgamation is Folkstone Capital Corp. (the "**Resulting Issuer**"). The Resulting Issuer is a capital pool company under Policy 2.4 (*Capital Pool Companies*) ("**Policy 2.4**") of the TSX Venture Exchange (the "**TSXV**"). The Resulting Issuer will have 12 months from the date the shares of the Resulting Issuer are listed on the TSXV to complete a Qualifying Transaction (as such term is defined in Policy 2.4).

The Amalgamation was approved by the shareholders of each company on August 27, 2013 and remains subject to the receipt of final regulatory approval from the TSXV.

Upon completion of the Amalgamation (i) each issued and outstanding share of Folkstone was exchanged for one (1) share of the Resulting Issuer, (ii) each issued and outstanding share of Sophia was exchanged for 1.09 shares of the Resulting Issuer, and (iii) each convertible security of Folkstone now entitles 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. In accordance with Policy 2.4, the share exchange ratio was based on the cash value of each company on a pre-transaction basis. Accordingly, the Resulting Issuer issued an aggregate of 4,150,000 shares to Folkstone shareholders and an aggregate of 1,716,749 shares to Sophia shareholders. Following the completion of the Amalgamation, 5,866,749 shares are issued and outstanding and Folkstone shareholders collectively own 71% of the issued and outstanding shares of the Resulting Issuer and Sophia shareholders collectively own 29% of the issued and outstanding shares of the Resulting Issuer (in each case, calculated on a non-diluted basis). 2,544,999 of the shares issued by the Resulting Issuer are subject to escrow pursuant to the policies of the TSXV.

The shares of the Resulting Issuer have been conditionally approved for listing on the TSXV and will commence trading under the symbol "FKS.P" following the issuance by the TSXV of a final bulletin concerning completion of the Amalgamation.

The Resulting Issuer's board of directors is comprised of Eric Owens, Mario Miranda and Eddy Canova. The management team of the Resulting Issuer consists of Eric Owens as Chief Executive Officer and Mario Miranda as Chief Financial Officer and Secretary.

Detailed information about each of Folkstone, Sophia and the Resulting Issuer is disclosed in the joint information circular of Folkstone and Sophia dated July 28, 2013 which was distributed to shareholders of Folkstone and Sophia and is available on SEDAR at www.sedar.com.

For further information please contact:

Mario Miranda
Chief Financial Officer
905.467.5564

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Although the Resulting Issuer believes that the expectations reflected in forward

looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, the Resulting Issuer disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

Neither 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.