

**EARLY WARNING REPORT UNDER  
NATIONAL INSTRUMENT 62-103**

1. *Name and Address of offeror:*

Mr. Bedo H. Kalpakian (“Mr. Kalpakian”)  
Unit 401, 6251 River Road  
Delta, BC V4K 5G5

2. *Designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:*

Mr. Kalpakian acquired, on a non-brokered private placement basis, 500,000 units (the “Units”) of 37 Capital Inc. (“37 Capital”) at the price of \$0.10 per Unit, where each Unit consists of one common share of 37 Capital (the “Shares”) and one warrant (the “Warrants”) exercisable for five years to purchase one additional common share of 37 Capital at the price of \$0.135 until January 4, 2021. Mr. Kalpakian now holds 603,931 Shares, representing 29.20% of the issued and outstanding shares of 37 Capital as at January 4, 2016 and 566,667 Warrants representing 44.59% of the issued and outstanding Warrants of 37 Capital as at January 4, 2016.

3. *Designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:*

Mr. Kalpakian has beneficial ownership and control over 603,931 common shares of 37 Capital representing 29.20% of the issued and outstanding common shares of 37 Capital and has beneficial ownership and control over 566,667 warrants of 37 Capital representing 44.59% of the issued and outstanding Warrants of 37 Capital.

4. *Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (c) over which*

(a) *the offeror, either alone or together with any joint actors, has ownership and control:*

Mr. Kalpakian has beneficial ownership and control over 618,095 common shares of 37 Capital representing 29.89% of the issued and outstanding common shares of 37 Capital as at January 4, 2016 and has beneficial ownership and control over 566,667 warrants of 37 Capital representing 44.59% of the issued and outstanding Warrants of 37 Capital as at January 4, 2016.

Ms. Isabel Kalpakian (“Ms. Kalpakian”) has beneficial ownership and control over 519,424 common shares of 37 Capital representing 25.12% of the issued and outstanding common shares of 37 Capital as at January 4, 2016 and has beneficial ownership and control over 500,000 warrants of 37 Capital representing 39.34% of the issued and outstanding Warrants of 37 Capital as at January 4, 2016.

(b) *the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:*

Not applicable

(c) *the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:*

Not applicable

5. *Name of the market in which the transaction or occurrence that gave rise to the news release took place:*

Non-Brokered Private Placement transaction. Issuance of common shares from treasury.

6. *The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:*

The deemed price of the 500,000 common shares issued to Mr. Kalpakian is \$0.10 per share.

7. *Purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:*

Mr. Kalpakian and Ms. Kalpakian each acquired the 37 Capital securities for investment purposes and may acquire further common shares of, or dispose their holdings of common shares of, 37 Capital through the market, privately or otherwise, as circumstances or market conditions warrant.

8. *General nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:*

The 500,000 Units acquired by Mr. Kalpakian are subject to a hold period which expires on May 5, 2016.

9. Names of any joint actors in connection with the disclosure required by this report:

Bedo H. Kalpakian and Isabel Kalpakian.

10. *In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:*

The 500,000 Units were issued at a price of \$0.10 per Unit, for an aggregate acquisition cost of \$50,000.

11. *If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:*

Not applicable

Dated this 4<sup>th</sup> day of January, 2016.