

EARLY WARNING REPORT

Made Pursuant To Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*, National Instrument 62-103 – *The Early Warning System and Related Take-Over bid and Insider Reporting Issues* and Section 102.1 of the *Securities Act* (Ontario)

This report is made pursuant to the provisions of the securities legislation referred to above in connection with certain acquisitions of securities of ThreeD Capital Inc. (“ThreeD”).

1. Name and address of Offeror

Sheldon Inwentash (“Inwentash” or the “Offeror”)
69 Yonge St., Suite 1010
Toronto, ON, M5E 1K3

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.

On August 17, 2016, the Offeror acquired ownership of 1,800,000 common shares of ThreeD (the “Common Shares”) and 1,800,000 common share purchase warrants of ThreeD (each, a “Warrant”) (each Warrant entitling the holder thereof to acquire one additional Common Share at a price per common share of \$0.10 until August 17, 2019). In the event that the Warrants are fully exercised, these holdings represent approximately 13.4% of the total issued and outstanding common shares of ThreeD as of August 17, 2016, calculated on a partially diluted basis assuming the exercise of the Warrants only.

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.

Immediately following the acquisition noted in item 2 above, the Offeror, together with its joint actors, owns an aggregate of 3,222,517 common shares of ThreeD and rights to acquire an additional 2,025,000 common shares upon exercise of certain convertible securities (the “Convertible Securities”), including the Warrants. Of these totals, the Offeror owns 2,244,677 common shares, including the Common Shares, and 2,025,000 of the Convertible Securities, including the Warrants, (the “Offeror Convertible Securities”) directly. In the event that the Convertible Securities are fully exercised, the holdings of the Offeror and joint actors represents a total of 5,247,517 common shares of ThreeD, or approximately 19.4% of all issued and outstanding common shares as at August 19, 2016, calculated on a partially diluted basis assuming the exercise of the Convertible Securities only. In the event that the Offeror Convertible Securities are fully exercised, the direct holdings of the Offeror represents a total of 4,269,677 common shares of ThreeD, or approximately 15.8% of all issued and outstanding common shares

as at August 17, 2016, calculated on a partially diluted basis assuming the exercise of the Offeror Convertible Securities only.

4. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

- (a) **the Offeror, either alone or together with any joint actors, has ownership and control;**

See 3. above.

- (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; and**

NIL

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

NIL

5. (a) The name of the market where the transaction or occurrence that gave rise to the news release took place.

N/A

- (b) **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:**

See Item 9., below.

6. The 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.

The Common Shares and Warrants noted in item 2. above were acquired for investment purposes. The Offeror, or its joint actors, may from time to time acquire additional securities of ThreeD, dispose of some or all of the existing or additional securities they holds or will hold, or may continue to hold their current positions.

7. The 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, or disposition or voting of any of the securities.

These Common Shares and Warrants noted in item 2. above were acquired pursuant to a subscription agreements dated August 9, 2016 between ThreeD and the Offeror.

8. Names of joint actors in connection with the disclosure required in this report.

Lynn Factor, 2215211 Ontario Inc. and 1350659 Ontario Inc.

9. 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 Common Shares and Warrants noted in item 2. above were acquired pursuant to a private placement for aggregate consideration of \$500,000 (\$0.05 per unit). The Warrants may be exercised at a price per common share of \$0.10 until August 17, 2019.

10. 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 of Part 4 in respect of the reporting issuer's securities.

N/A

11. If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance.

N/A.

DATED as of the 19th day of August, 2016.

“Sheldon Inwentash”

Sheldon Inwentash