

**FORM 51-102F3**  
**Material Change Report**

**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF**  
**NATIONAL INSTRUMENT NO. 51-102**

**Item 1.**                    **Reporting Issuer**

ThreeD Capital Inc. (the “Company”)  
69 Yonge Street  
Suite 1010  
Toronto, Ontario  
M5E 1K3

**Item 2.**                    **Date of Material Change**

A material change took place effective December 1, 2016

**Item 3.**                    **Press Release**

On December 1, 2016, a news release in respect of the material change was disseminated by the Company.

**Item 4.**                    **Summary of Material Change**

The Company announced that it has closed a non-brokered private placement financing, pursuant to which it raised aggregate gross proceeds of \$750,000.

Pursuant to the financing, Mr. Sheldon Inwentash subscribed for an aggregate of 500,000 units of the Company (“Units”) at a price of \$0.10 per Unit. Mr. Inwentash is an insider of the Company. As of December 1, 2016 immediately prior to the closing of the financing, Mr. Inwentash held 2,244,667 common shares of the Company and convertible securities entitling Mr. Inwentash to acquire an additional 1,950,000 common shares of the Company, representing approximately 9.0% of the issued and outstanding shares of the Company (and approximately 15.6% on a partially diluted basis, assuming exercise of the convertible securities only). Following the closing of the financing, Mr. Inwentash holds 2,744,667 common shares of the Company and convertible securities entitling Mr. Inwentash to acquire an additional 2,450,000 common shares of the Company, representing approximately 8.5% of the issued and outstanding shares of the Company post-closing (and approximately 14.9% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the financing, Mr. Allen Lone subscribed for an aggregate of 100,000 Units at a price of \$0.10 per Unit. Mr. Lone is an insider of the Company. As of December 1, 2016 immediately prior to the closing of the financing, Mr. Lone held 20,000 securities of the Company, representing less than 1% of the issued and outstanding shares of the Company. Following the closing of the financing, Mr. Lone holds 120,000 common shares of the Company and convertible securities entitling Mr. Lone to acquire an additional 100,000 common shares of the Company, representing less than 1% of the issued and outstanding shares of the Company post-closing (and less than 1% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the financing, 1313366 Ontario Inc. (“**Ontco**”) subscribed for an aggregate of 500,000 Units at a price of \$0.10 per Unit. Ontco is an insider of the Company. As of December 1, 2016 immediately prior to the closing of the financing, Ontco held 2,269,400 common shares of the Company and convertible securities entitling Ontco to acquire an additional 2,000,000 common shares of the Company, representing approximately 9.1% of the issued and outstanding shares of the Company (and approximately 15.8% on a partially diluted basis, assuming exercise of the convertible securities only). Following the closing of the financing, Ontco holds 2,769,400 common shares of the Company and convertible securities entitling Ontco to acquire an additional 2,500,000 common shares of the Company, representing approximately 8.5% of the issued and outstanding shares of the Company post-closing (and approximately 15.1% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the financing, Palisade Global Investments Ltd. (“**Palisade**”) subscribed for an aggregate of 400,000 Units at a price of \$0.10 per Unit. Palisade is an insider of the Company. As of December 1, 2016 immediately prior to the closing of the financing, Palisade held 2,500,000 common shares of the Company and convertible securities entitling Palisade to acquire an additional 2,500,000 common shares of the Company, representing approximately 10.0% of the issued and outstanding shares of the Company (and approximately 18.2% on a partially diluted basis, assuming exercise of the convertible securities only). Following the closing of the financing, Palisade holds 2,900,000 common shares of the Company and convertible securities entitling Palisade to acquire an additional 2,900,000 common shares of the Company, representing approximately 8.9% of the issued and outstanding shares of the Company post-closing (and approximately 16.4% on a partially diluted basis, assuming exercise of the convertible securities only).

The financing was approved by the board of directors pursuant to directors’ resolutions dated November 24, 2016. The transaction is exempt from the formal valuation and minority shareholder approval requirements of applicable securities laws as at the time the financing was agreed to, neither the fair market value of the subject matter of, or the fair market value of the consideration for, the financing insofar as it involves interested parties, exceeded 25% of the Company’s market capitalization.

The financing was completed to raise proceeds for the acquisition of investments and for general working capital purposes. A material change report is being filed in connection with the insider participation in the financing less than 21 days in advance of closing of the financing, as the Company did not have prior confirmation of such participation.

**Item 5. Full Description of Material Change**

The material change is described in the Company's press release attached hereto as Schedule "A", which press release is incorporated by reference herein.

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

The report is not being filed on a confidential basis.

**Item 7. Omitted Information**

No information has been omitted.

**Item 8. Executive Officer**

Gerry Feldman

**Item 9. Date of Report**

DATED at Toronto, in the Province of Ontario, this 1<sup>st</sup> day of December, 2016.

## **SCHEDULE “A”**

### **ThreeD Capital Inc. Announces Completion of First Tranche of Private Placement to Raise \$750,000**

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Toronto – December 1, 2016 – ThreeD Capital Inc. (the “Company”) is pleased to announce that it has completed the first tranche of a non-brokered private placement (the “Offering”) pursuant to which it has issued an aggregate of 7,500,000 units (“Units) at a price of \$0.10 per Unit to raise aggregate gross proceeds of \$750,000. Each Unit consists of one common share of the Company and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to acquire one additional common share of the Company at an exercise price of \$0.15 until December 1, 2019.

All securities issued and issuable in connection with the first tranche of the Offering are subject to a statutory hold period expiring on April 2, 2017.

Insiders of the Company subscribed for an aggregate of 1,500,000 Units pursuant to the Offering. Proceeds of the Offering will be used for general and administrative expenses and the purchase of investments.

For further information:  
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