

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 - Name and Address of Partnership

Tier One Capital Limited Partnership (the "**Partnership**")
15 Toronto Street, Suite 400
Toronto Ontario M5C 2E3
Phone: (416) 203-7331
Fax: (416) 203-6630

Item 2 - Date of Material Change

August 25, 2014

Item 3 - News Release

A news release announcing the material change was disseminated via Canada NewsWire on August 25, 2014.

Item 4 - Summary of Material Change

The Partnership announced a \$8,000,000 non-brokered private placement of up to 1,518,027 units (the "**Units**") of the Limited Partnership at \$5.27 per Unit (the "**Private Placement**").

Item 5 - Full Description of Material Change

The Partnership announced a \$8,000,000 non-brokered private placement of up to 1,518,027 Units of the Limited Partnership at \$5.27 per Unit, a price representing a 10% discount to the per unit trading price on August 20th 2014 on the CSE System, the date prior to when price protection was received from CSE. An affiliate of the General Partner that is ultimately controlled by Mr. John Richardson, Chief Executive Officer and a director of T1 General Partner Corp. ("**T1 Corp.**"), the general partner of the General Partner (the "**Related Purchaser**") has agreed to provide a stand-by commitment to subscribe for units equal to 20% of the total Units issued as part of the Private Placement (the "**Stand-By Commitment**").

The proceeds of the Private Placement will be used to purchase debt securities with attractive coupons typically ranging from 12% to 18%. The Private Placement is expected to close in tranches with the first tranche expected to close on or about September 9, 2014. The expected closing date is reasonable in the circumstances in light of the Partnership's investment strategy and objectives.

The Limited Partnership will pay a placement fee of 5% of the gross proceeds together with broker warrants equal to 3% of the total number of units sold excluding the Stand-By Commitment. Each broker warrant will entitle the holder

thereof to purchase one Unit at the offering price for a period of 12 months from the closing date.

The Units offered by the Private Placement are available only to Canadian accredited investors and will be subject to resale restrictions, including a 4 month hold period, under the terms of the Limited Partnership Agreement and under applicable Canadian securities laws.

As mentioned above the Related Purchaser intends to acquire up to 20% of the Units issued as part of the Private Placement at the Offering Price, thereby making the Private Placement a “related party transaction” as defined under *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Mr. Richardson currently indirectly owns or controls 138,126 units of the Limited Partnership or approximately 6.5% of the total units issued and outstanding as of the date hereof. Assuming that the Private Placement is fully subscribed, Mr. Richardson will indirectly own or control 441,731 units of the Limited Partnership or approximately 12.1% of the total units issued and outstanding after completion of the Private Placement. The Private Placement was unanimously approved by the board of directors of T1 Corp., in its capacity as the general partner of the General Partner, with Mr. Richardson disclosing his interest and abstaining from voting with respect thereto. Alan Chettiar, a non-independent director of T1 Corp. also disclosed his interest as an affiliate of the Related Purchaser and abstained from voting. The Private Placement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any Units to be issued to or the consideration to be paid by the Related Purchaser will exceed 25% of the Partnership’s market capitalization.

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

Not applicable

Item 7 – Omitted Information

Not applicable

Item 8 – Executive Officer

John Richardson, Chief Executive Officer of T1 General Partner Corp. is knowledgeable about the material change and this report and may be contacted at (416) 203-7331 extension 228.

Item 9 – Date of Report

September 4, 2014