

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Wilmington Capital Management Inc. (the “**Corporation**” or “**Wilmington**”)
Suite 700, 505 – 3rd Street S.W.
Calgary, Alberta T2P 3E6

Item 2 Date of Material Change

February 5, 2019

Item 3 News Release

A news release disclosing the nature and substance of the material change was issued by Wilmington on February 6, 2019 and disseminated through the news wire services of GlobeNewswire and subsequently filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

Item 4 Summary of Material Change

On February 6, 2019, Wilmington announced that its board of directors approved a definitive agreement (the “**Agreement**”) it entered into with StorageVault Canada Inc. (the “**Purchaser**”) and Perron Holdings Ltd. and certain related parties of the Corporation, including Westhills Development Corporation, Rosebridge Capital Corp. Inc., Ian Cockwell, Joseph Killi and Christopher Killi (collectively with Wilmington, the “**Vendors**”) pursuant to which the Purchaser agreed to acquire all of the equity interests of Real Storage Private Trust (the “**Private Trust**”), Woodfield Limited Partnership, SNS Storage (Ontario) Limited Partnership, Real Storage GP Inc. and 2242907 Ontario Inc., which includes all of the Wilmington’s interests in the self-storage business (the “**Self-Storage Business**”) owned and operated by the Private Trust, from the Vendors for a gross purchase price of \$275 million, subject to repayment of approximately \$106 million of indebtedness of the Private Trust and related entities, aggregate holdbacks of \$4.25 million and customary adjustments (the “**Transaction**”). Completion of the Transaction remains subject to the approval of Wilmington’s shareholders, regulatory approval and other customary closing conditions.

Wilmington will be retaining its assets that do not form part of the Self-Storage Business.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please refer to the news release dated February 6, 2019 which has been filed on SEDAR and attached to this material change report as Schedule “A”.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

The following is the name and business telephone number of an executive officer of the Corporation who is knowledgeable about the material change in this report.

Patrick Craddock
Corporate Controller
(403) 705-8038

Item 9 Date of Report

February 15, 2019

Schedule “A”



STOCK SYMBOL –TSX: WCM.A WCM.B

news release

WILMINGTON ANNOUNCES SALE OF SELF-STORAGE BUSINESS TO STORAGEVAULT

TORONTO, February 6, 2019 – Wilmington Capital Management Inc. (“Wilmington” or the “Corporation”) today announces approval by its board of directors (the “Board”) of a definitive agreement (the “Agreement”) it has entered into with StorageVault Canada Inc. (“StorageVault” or the “Purchaser”) and other vendors including certain insiders of the Corporation (collectively with the Corporation, the “Vendors”) whereby the Purchaser will purchase all of the equity interests in Real Storage Private Trust (the “Private Trust”), Woodfield Limited Partnership, SNS Storage (Ontario) Limited Partnership, Real Storage GP Inc. and 2242907 Ontario Inc., which includes all of the Corporation’s interests in the self-storage business owned and operated by the Private Trust (the “Self-Storage Business”), from the Vendors (the “Transaction”) for a gross purchase price payable to the Vendors of \$275 million (the “Purchase Price”).

The Purchase Price is subject to aggregate holdbacks of \$4.25 million and customary adjustments, in accordance with the Agreement, and will be paid in cash, subject to the parties agreeing that any amount of the Purchase Price, up to a maximum of \$50 million, will be paid with the issuance of newly issued common shares of the Purchaser, in accordance with the Agreement. Indebtedness of the Private Trust and its related entities of approximately \$106 million will be paid out of the proceeds on closing. The portion of the net Purchase Price expected to be payable to the Corporation is approximately \$53 million.

Mr. Christopher Killi, CEO of Real Storage Private Trust and Wilmington’s Managing Partner of Real Estate commented that “the Transaction reflects a compelling valuation for Wilmington’s interest in the Private Trust and is in keeping with Wilmington’s strategy of seeking undervalued investment opportunities and optimizing the timing of value realization.”

The Private Trust is one of the largest owner, operator and developers of self-storage facilities in Canada with 38 self-storage facilities located in British Columbia, Alberta, Manitoba and Ontario, including a 33% indirect interest in a self-storage facility in Toronto, Ontario and a 24% indirect interest in a re-development property in Kitchener, Ontario. Wilmington will be retaining its assets that do not form part of the Self-Storage Business.

Pro Forma Highlights

The conclusion of the Transaction will result in significant optionality and flexibility for Wilmington. Following the Transaction, Wilmington’s asset portfolio will comprise the following:

- \$50 million cash and other current assets, after accounting for income taxes, (subject to adjustment for any portion of the Purchase Price that is paid by way of the issuance of shares of StorageVault);
- 45% ownership interest in Northbridge Capital Partners Ltd. (“**Northbridge**”);
- 33% ownership interest in Marina Asset Management Inc.; and
- 18% ownership interest in Maple Leaf Marinas Holdings Limited Partnership and Bay Moorings Marina Holdings Limited Partnership (collectively, the “**Maple Leaf Partnerships**”).

Agreement Details

The Agreement is the result of arm's length negotiations conducted between representatives of the Corporation, the Purchaser and their respective advisors.

The Purchaser and the Vendors have entered into the Agreement, which initially was subject to numerous initial conditions (the "Initial Conditions") and that have now been either satisfied or waived. The Initial Conditions included, among other things, completion of satisfactory commercial, environmental and legal due diligence by the Purchaser, as well as approval by the board of directors of the Corporation and the Purchaser's board of directors. Upon confirmation by the Purchaser of satisfaction or waiver of all of the Initial Conditions (excluding the required board approvals), each of the Corporation and the Purchaser called and held meetings for their respective boards of directors to consider the Transaction.

The Board (with Joseph F. Killi and Ian Cockwell abstaining) reviewed and evaluated the terms of the Agreement and noted the various benefits afforded by the Transaction, including in particular the premium valuation ascribed to the Self-Storage Business in the context of a transaction where all of the Vendors would sell and the Purchaser would purchase the Vendors' interests in the Private Trust and its related entities. Moreover, the Board noted that the Transaction was structured in a manner to ensure that the Corporation's share of the net Purchase Price would be proportionate to both its interest in the Private Trust and its related entities and the allocations payable to the other Vendors.

Shareholder Approval and Other Conditions

The Transaction is subject to approval of at least two-thirds (66⅔%) of the votes cast by the Wilmington shareholders, present in person or represented by proxy, at a special meeting to be called to consider the Transaction (the "Meeting"). It is anticipated that the Meeting will be held on March 28, 2019. Certain Wilmington shareholders, including directors and senior officers of Wilmington who collectively own approximately 32% of the outstanding Wilmington shares, have entered into voting support agreements with StorageVault pursuant to which they have agreed to vote their Wilmington shares in favour of the Transaction, subject to the provisions thereof, at the Meeting. A management information circular (the "Circular") prepared in connection with the Transaction is expected to be mailed to Wilmington shareholders before the end of February, 2019.

The Transaction is expected to close in the second quarter of 2019, subject to customary conditions and regulatory approvals, including the approval of the TSX Venture Exchange and *Competition Act* (Canada) approval.

Wilmington After Closing

The Self-Storage Business to be sold in the Transaction represents one of Wilmington's three core operations and comprises approximately 59% of the net book value of the assets of the Wilmington as at September 30, 2018. Post-closing, the Corporation will have the financial flexibility to continue to add value to its remaining operating platforms and to actively seek out additional investment opportunities where it can add value.

Copies of the Agreement and the Circular will be filed with Canadian securities regulators and will be available on Wilmington's SEDAR profile at www.sedar.com.

About Wilmington

Wilmington is a Canadian investment and asset management company whose principal objective is to seek out investment opportunities in the real estate and energy sectors, which provide shareholders with capital appreciation over the longer term as opposed to current income returns. Wilmington invests its own capital,

alongside partners and co-investors, in hard assets and private equity funds and manages these assets through operating platforms.

WILMINGTON CAPITAL MANAGEMENT INC.

For further information, please contact:
Executive Officers
(403) 705-8038

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READER ADVISORY

Cautionary Note on Forward Looking Statements

This press release contains forward-looking statements within the meaning of Canadian securities laws. These forward-looking statements contain statements of intent, belief or current expectations of Wilmington. Forward-looking information is often, but not always identified by the use of words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “forecast”, “target”, “project”, “may”, “will”, “should”, “could”, “estimate”, “predict” or similar words suggesting future outcomes or language suggesting an outlook.

The forward-looking statements included in this press release, including statements regarding the Transaction, net proceeds payable to Wilmington under the Transaction, the receipt of necessary approvals, the Wilmington Shareholder vote, the anticipated timing for mailing the Circular, holding the Meeting, completing the Transaction, repayment of debt, the nature of Wilmington’s post-closing operations and execution on any of the potential post-closing strategic alternatives are not guarantees of future results and involve risks and uncertainties that may cause actual results to differ materially from the potential results discussed in the forward-looking statements. In respect of the forward-looking statements and information concerning the completion of the Transaction and the anticipated timing for completion of the Transaction, Wilmington has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the time required to prepare and mail Meeting materials, the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory and other third party approvals and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing Meeting materials; inability to secure necessary shareholder, regulatory or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times.

Risks and uncertainties that may cause such differences include but are not limited to: the risk that the Transaction may not be completed on a timely basis, if at all; the conditions to the consummation of the Transaction may not be satisfied; the risk that the Transaction may involve unexpected costs, liabilities or delays; the risk that, prior to the completion of the Transaction, Wilmington’s business may experience significant disruptions, including loss of customers or employees, due to transaction related uncertainty or other factors; the possibility that legal proceedings may be instituted against Wilmington and/or others relating to the Transaction and the outcome of such proceedings; the possible occurrence of an event, change or other circumstance that could result in termination of the Transaction; risks related to the diversion of management’s attention from Wilmington’s ongoing business operations; risks relating to the failure to obtain necessary shareholder approval; risks related to obtaining the requisite consents to the Transaction; other risks inherent in the real estate industry. Failure to obtain the requisite approvals, or the failure of the parties to otherwise satisfy the conditions to or complete the Transaction, may result in the Transaction not being completed on the proposed terms, or at all. In addition, if the Transaction is not completed, and Wilmington continues as an independent entity, the announcement of the Transaction and the dedication of substantial resources of Wilmington to the completion of the Transaction could have a material adverse impact on Wilmington’s share price, its current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and on the current and future operations, financial condition and prospects of Wilmington. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect

Wilmington's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

The forward-looking statements in this press release are made as of the date it was issued and Wilmington does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that outcomes implied by forward-looking statements will not be achieved. Wilmington cautions readers not to place undue reliance on these statements.