

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Sagittarius Capital Corporation
95 Wellington Street West
Suite 1200
Toronto, Ontario M5J 2Z9

Item 2 Date of Material Change

September 1, 2010

Item 3 News Release

Press Release in the form of Schedule A attached hereto was disseminated on September 7, 2010 via Marketwire.

Item 4 Summary of Material Change

Sagittarius Capital Corporation (NEX: SCX.H) ("Sagittarius" or the "Company"), a capital pool company, is pleased to announce that it has entered into an arm's length binding letter of intent (the "Agreement") with Alpaca Resources Inc. ("Alpaca"), an Ontario company and a non-reporting issuer on September 1, 2010.

Pursuant to the Agreement, Sagittarius will acquire all of the issued and outstanding securities of Alpaca by way of Alpaca amalgamating with a wholly-owned subsidiary of Sagittarius. The proposed transaction will constitute the Company's Qualifying Transaction (the "Qualifying Transaction" or "QT") under the policies of the TSX Venture Exchange (the "Exchange"). Following completion of the Qualifying Transaction, it is anticipated that the resulting issuer will be a Tier 2 copper and gold exploration company.

Item 5 Full Description of Material Change

See Schedule A attached.

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

This report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential.

Item 8 Executive Officer

Robin Sundstrom
President
(647) 822-8111

Item 9 Date of Report

September 8, 2010.

Schedule A

Sagittarius Announces Qualifying Transaction with Alpaca Resources

TORONTO, September 7, 2010 - Sagittarius Capital Corporation (NEX: SCX.H) ("Sagittarius" or the "Company"), a capital pool company, is pleased to announce that it has entered into an arm's length binding letter of intent (the "Agreement") with Alpaca Resources Inc. ("Alpaca"), an Ontario company and a non-reporting issuer on September 1, 2010.

Pursuant to the Agreement, Sagittarius will acquire all of the issued and outstanding securities of Alpaca by way of Alpaca amalgamating with a wholly-owned subsidiary of Sagittarius. The proposed transaction will constitute the Company's Qualifying Transaction (the "Qualifying Transaction" or "QT") under the policies of the TSX Venture Exchange (the "Exchange"). Following completion of the Qualifying Transaction, it is anticipated that the resulting issuer will be a Tier 2 copper and gold exploration company.

Capital Structure of Alpaca

At present, Alpaca has 36,938,175 common shares ("Alpaca Shares") issued and outstanding and 4,500,007 share purchase warrants ("Alpaca Warrants") issued and outstanding (such Alpaca Warrants consisting of 2,732,602 warrants exercisable at \$0.20 per common share and 1,767,405 warrants exercisable at \$0.25 per share), 260,285 Alpaca Broker Warrants (as described below) and 1,975,000 options with an exercise price of \$0.20 per common share. An additional 1,000,000 Alpaca Shares (the "Alpaca Acquisition Shares") are reserved for issuance to certain arm's length parties in connection with Alpaca acquiring and retaining certain exploration properties.

Alpaca is also currently undertaking a financing (the "Pre-QT Financing") for maximum gross proceeds of \$1,200,000 at a price of \$0.10 per unit ("Alpaca Units") with each unit consisting of one Alpaca Share and one half of one Alpaca Warrant exercisable at \$0.25. Alpaca will also issue broker warrants ("Alpaca Broker Warrants") equal to 8% of the number of units of Alpaca issued pursuant to the Pre-QT Financing. As a result of the Pre-QT Financing, it is anticipated that Alpaca will issue an additional 12,000,000 Alpaca Shares (for a total of 48,938,175 Alpaca Shares), 6,000,000 Alpaca Warrants (for a total of 10,500,007 Alpaca Warrants), and 960,000 Alpaca Broker Warrants (for a total of 1,220,285 Alpaca Broker Warrants).

Other than the Alpaca Acquisition Shares, the Alpaca Units and the Alpaca Broker Warrants, Alpaca will not issue from treasury any Alpaca Shares or otherwise grant or issue any options, warrants or other securities convertible into Alpaca Shares without the prior approval of Sagittarius, nor will it make any expenditures other than in the ordinary course of business without the prior approval of Sagittarius.

Principal Shareholders of Alpaca

The principal stakeholders of Alpaca are Foundation Financial Holdings Corp. ("FFHC"), which owns and operates a Toronto based Merchant Bank and Exempt Market Dealer, that owns beneficially, directly or indirectly, or exercises control or direction over approximately 10.8% of the Alpaca Shares, and Protea Inc., a private company that owns beneficially, directly or indirectly, or exercises control or direction over approximately 5.5% of Alpaca Shares. FFHC is controlled by Jeremy Goldman (of North York, Ontario), Yannis Banks (of Toronto, Ontario)

and The Goomie Trust, a trust formed under the laws of the Province of Ontario, whom together hold a 95% interest in FFHC. Protea is controlled by Enrique Lopez de Mesa who holds a 100% interest in Protea. The balance of the Alpaca Shares are held by approximately 80 additional shareholders.

Adam Szweras is a board member and shareholder of Alpaca, and as of August 31, 2010, resigned from the board of directors of the Company. Mr. Szweras is also Chairman of FMI and FFHC which are significant shareholders of Alpaca and financial advisors of Alpaca.

Robin Sundstrom, President and director of the Company, has provided past services to Alpaca and retains a small shareholding in Alpaca as a result of that service. Cavalry Corporate Solutions Ltd., a company in which Gary Hokkanen (director and Chief Financial Officer of the Company) is a minority shareholder and president, provides accounting and administrative services to Alpaca.

Capital Structure of Sagittarius

Currently, Sagittarius has 4,190,000 common shares issued and outstanding. Sagittarius also has outstanding 469,000 incentive options with an exercise price of \$0.20 per share granted to the Board members of Sagittarius.

Sagittarius will not issue from treasury any shares, options, warrants or other securities convertible into Sagittarius Shares prior to the completion of the Qualifying Transaction or termination of the Amending Agreement without the prior approval of Alpaca.

The Qualifying Transaction

The Agreement stipulates that Sagittarius will be required to ask its shareholders to approve a consolidation on a 1.8 old shares for one (1) new share basis, and Alpaca will be required to ask its shareholders to approve a consolidation on a two (2) old shares for one (1) new share basis, which respective share consolidations will occur immediately prior to the closing of the QT Financing (as described below) and the Qualifying Transaction. All corresponding warrants and options previously issued by Sagittarius and Alpaca will also be referenced to the new post-consolidation shares.

Immediately after Sagittarius completes its contemplated consolidation, it will have the following securities outstanding:

- 2,327,778 Post-Consolidation Shares, and
- 260,556 Post-Consolidation Options, exercisable at \$0.36 per Post-Consolidation Share

Upon the closing of the Qualifying Transaction, immediately following the consolidation of shares by each respective company, Sagittarius will issue to Alpaca shareholders one (1) post consolidation share ("SAG Post-Consolidation Share") in the capital of Sagittarius for each post consolidation Alpaca share ("Alpaca Post-Consolidation Share"), and one (1) post consolidation Sagittarius share purchase warrant ("SAG Post-Consolidation Warrants") for each post consolidation Alpaca Share purchase warrant ("Alpaca Post-Consolidation Warrant"), and one (1) post consolidation Sagittarius broker warrant ("SAG Post-Consolidation Broker Warrants")

for each post consolidation Alpaca Share Broker warrant ("Alpaca Post-Consolidation Broker Warrant"), and one (1) post consolidation Sagittarius option ("SAG Post-Consolidation Options") for each post consolidation Alpaca option ("Alpaca Post-Consolidation Option").

Assuming Alpaca closes on the maximum permitted Pre-QT Financing, Sagittarius will at the closing of the Qualifying Transaction, issue to Alpaca shareholders and warrant holders, the following:

- 24,469,088 SAG Post-Consolidation Shares,
- 5,250,003 SAG Post-Consolidation Warrants (consisting of 1,366,301 SAG Post Consolidation Warrants exercisable at \$0.40 per SAG Post-Consolidation Share and 3,883,703 SAG Post-Consolidation Warrants exercisable at \$0.50 per SAG Post-Consolidation Share), and
- 610,143 SAG Post Consolidation Broker Warrants (exercisable at \$0.20 per SAG Post-Consolidation Share into a unit of one share and one half of one SAG Post-Consolidation Warrant, each whole warrant exercisable at a price of \$0.50 into one SAG Post-Consolidation Share).

Sagittarius will also reserve for issuance an additional 500,000 SAG Post-Consolidation Shares in exchange for the Alpaca Acquisition Shares which may be issuable. In the event that some or all of the Alpaca Acquisition Shares are issued prior to the QT, Sagittarius shall issue SAG Post-Consolidation Shares to such Alpaca shareholders on the same basis, namely one (1) SAG Post-Consolidation Share for each Alpaca Post-Consolidation share.

Upon the closing of the Qualifying Transaction, Alpaca will become a wholly-owned subsidiary of the Company. The foregoing SAG Post-Consolidation Shares will be issued at an ascribed price of \$0.30 per SAG Post-Consolidation Share. In addition, Sagittarius will issue replacement options for options issued by Alpaca (if any) prior to closing of the Qualifying Transaction such that one (1) post-consolidation Alpaca option will be replaced with one (1) post consolidation Sagittarius Option.

Concurrent Financing

Alpaca shall complete a financing (the "QT Financing") concurrently with the completion of the Qualifying Transaction of a minimum amount of \$2,000,000 (but in any event the amount sufficient to meet the Minimum Listing Requirements of the Exchange). It is anticipated that the QT Financing will consist of the issuance of units ("Alpaca Units"), each unit to be made up of one (1) Post-Consolidation Alpaca Share and one half of one Post-Consolidation Alpaca Warrants, at a price of at least \$0.40 per Alpaca Unit. The ultimate price of the Alpaca Units and the exercise price of the commensurate Alpaca Post-Consolidation Warrants will be determined in the context of the market just prior to the closing of the Qualifying Transaction. Broker Warrants are assumed to be 8% of the shares issued on the offering. The QT Financing will be led by Foundation Markets Inc. ("FMI"), a Toronto based investment bank and Exempt Market Dealer owned by FFHC. Compensation will be negotiated in good faith by the parties on a commercial basis for similar financings.

All Alpaca Units and any broker warrants issued pursuant to the QT Financing will be exchanged for securities of the Company on the same basis as described above.

It is expected that the net proceeds of the QT Financing will be used for exploration on Alpaca's properties, evaluating potential acquisitions and general corporate purposes.

Resulting Issuer Capital Structure

Upon the closing of the QT, assuming completion of the contemplated 1.8:1 consolidation of the shares of the Company and 2:1 consolidation of the shares of Alpaca just prior to the closing of the Qualifying Transaction, the completion of the Pre-QT Financing in the amount of \$1,200,000, the issuance of all of the Alpaca Acquisition Shares, and completion of a QT Financing of \$2,000,000 as noted above, the Company will have 31,796,865 SAG Post-Consolidation Shares issued and outstanding, 7,616,301 SAG Post-Consolidation Warrants issued and outstanding, 1,248,056 options issued and outstanding, and 1,010,143 SAG Post Consolidation Broker Warrants issued and outstanding.

Closing Conditions

The closing of the Qualifying Transaction with Alpaca is subject to a number of conditions, including, but not limited to the following:

1. Receipt of gross proceeds pursuant to the QT Financing of not less than \$2,000,000 or the amount required for the resulting issuer to meet the Minimum Listing Requirements of the Exchange;
2. Receipt of an exemption or waiver of sponsorship, permitting to close without the engagement of a sponsor, or the receipt of a sponsor report;
3. Receipt of all requisite consents, required regulatory approvals, including without limitation, the approval of the Exchange;
4. Completion of all due diligence reviews (including financial and legal, amongst others);
5. Receipt of all director and shareholder approvals as may be required under applicable laws or regulatory policies on or before November 30, 2010;
6. Satisfaction of the Minimum Listing Requirements of the Exchange and all requirements under the Exchange rules relating to completion of a "Qualifying Transaction"; and
7. Execution of a formal agreement on or before October 31, 2010.

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. Sagittarius intends to apply for an exemption from sponsorship requirements, however, there is no assurance that Sagittarius will obtain this exemption. In addition, the stock will likely remain halted pending completion of the Qualifying Transaction.

A filing statement in respect of the proposed Qualifying Transaction will be prepared and filed in accordance with Policy 2.4 of the Exchange on SEDAR at www.sedar.com no less than seven

business days prior to the closing of the proposed Qualifying Transaction. A press release will be issued once the filing statement has been filed as required pursuant to Exchange policies.

Proposed Management and Directors of the Resulting Issuer

As part of the completion of the Qualifying Transaction, Alpaca shall propose management and director candidates for resulting issuer. The Company will release detailed information on proposed management and director candidates in the near future.

About Alpaca Resources Inc.

Alpaca Resources Inc. is a Canadian junior exploration company with advanced and early stage copper and gold exploration properties in the Western United States and Peru. Alpaca's copper portfolio consists of two principal assets in Arizona, the Hill Copper and Troy Ranch projects, which are subject to the acquisition terms described below. Alpaca's gold portfolio consist of the Iron Butte project in Nevada and the Pataz project in the Peru.

Hill Copper - Alpaca holds the right to acquire a 100% interest, through a number of purchase and option agreements and land staked directly through the BLM in certain properties comprising a large part of the Hill Copper project. Alpaca is actively continuing the consolidation of the district. The Hill Copper project is located in Cochise county, Arizona, and has been the subject of exploration by various companies including Bear Creek, Santa Fe Pacific Gold and Newmont, since the 1950s including more than 300 drill holes. With the extent of previous work done on the property, Alpaca believes there is the opportunity to define a district scale bulk minable copper resource. Alpaca's aim is to generate a resource estimate in the near term and advance the project to a Preliminary Economic Assessment.

Troy Ranch - Troy Ranch is a Joint Venture with Freeport Mcmoran, one of the largest copper producers globally. Troy Ranch consists of 1,783 hectares in the Dripping Springs mining district, Pinal and Gila Counties, Arizona, approximately 4 miles from the Ray copper mine, the second largest operating copper mine in Arizona. Alpaca is negotiating to acquire a 51% interest subject to 1.5% Net Smelter Royalty on its interest which can be bought down to 0.75% for \$1,000,000. Alpaca would then have the right to earn an additional 25% by spending an additional approximately \$300,000 by December 1, 2011. At that point, Freeport Mcmoran has the right to claw back to a 76% interest, reducing Alpaca's interest to 24% by spending \$7,000,000 in exploration over a three year period. The property has been the subject of an initial phase 1 diamond drill program by the previous operator and the results were encouraging for a potential copper-molybdenum deposit. The primary exploration target is the Precambrian diabase using an exploration model analogous to the Ray deposit.

Iron Butte - The Iron Butte project is an advanced stage exploration project consisting of 696 hectares in Lander County, Nevada, situated 12 miles southeast of and along trend with the Cove - McCoy mine, which produced 3.4 million ounces of gold and over 110 million ounces of silver between 1986 and 2006. The property has been the subject of more than 200 drill holes by various operators including Newmont, Newcrest, Cameco, Chevron and Homestake. Alpaca intends to conduct a drill program intended to define an NI 43-101 bulk-minable oxide gold resource at the higher-grade oxidized Red Ridge zone which outcrops at the surface. The deposit remains open in several directions and several targets are untested.

Pataz - Alpaca's Pataz property is a greenfield area play in the Pataz gold district of Peru consisting of 5,960 hectares, historically one of the most important gold producing districts in the country and where several mines, all in close proximity to Alpaca's property, continue to operate producing more than 400,000 ounces of gold annually. The region is characterized by high grade orogenic gold deposits. Alpaca's property is in similar geology to the large producing gold mines are all proximal and the objective is to conduct regional scale exploration to discover new areas of orogenic gold mineralization.

Other Properties - Alpaca owns or controls several other properties in Peru and the Western United States including the Greenback Mine that was the subject of the Original Agreement and which was discussed in detail in the press release dated May 25, 2010. Alpaca does not consider these properties material and intends to focus its efforts on the Hill Copper, Troy Ranch, Iron Butte and Pataz properties.

All technical information in this press release has been reviewed and approved by Mike Newbury, P.Eng., who acts as Qualified Person ("QP") for Alpaca.

About Foundation Markets Inc.

Foundation Markets Inc. ("FMI") is a Toronto-based boutique investment bank and corporate finance advisory firm licensed as an Exempt Market Dealer. The firm is focused on working with small- and medium-sized companies with rapid growth potential, specializing in assisting pre-public clients in accelerating access to private capital and executing going-public transactions. FMI also works with public companies on financing, mergers and acquisitions transactions, and strategic advisory services.

About Sagittarius Inc.

The Company is a TSX Venture Exchange listed company and classified as a Capital Pool Corporation as defined in the TSX Venture Exchange Policy 2.4 by raising \$738,000 in conjunction with its Initial Public Offering in February 2008. The Company's principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction within the meaning of Exchange policies.

As a result of failure to close a qualifying transaction by March 31, 2010, the Company's shares were suspended from trading on the TSX Venture Exchange effective April 5, 2010. On May 28, 2010 at an annual and special shareholders meeting the shareholders of the Company authorized management to move trading of the Company's shares to the NEX board on or before June 30, 2010. The Company's shares were reinstated on the NEX board on June 24, 2010.

Completion of the Qualifying Transaction is subject to a number of conditions including, but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Qualifying Transaction will be completed as proposed, or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the transaction, any information released or received with respect to the

transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Neither TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange Inc.) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

For Sagittarius Capital Inc.

Robin Sundstrom, President

(647) 822-8111

robin@ironsideir.com

For Alpaca Resources Inc.:

Yannis Banks

(416) 777-6169

ybanks@foundationmarkets.com