

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

TitanStar Properties Inc. (the "Company")
950 – 789 West Pender Street
Vancouver, British Columbia V6C 1H2

Item 2 Date of Material Change

January 20, 2014

Item 3 News Release

The Company disseminated a news release on January 20, 2014, issued in Vancouver, British Columbia, via Stockwatch, and filed on SEDAR with the TSX Venture Exchange and in all jurisdictions in Canada other than Québec.

Item 4 Summary of Material Change

The Company announced that it plans to convert its current corporate structure into a real estate investment trust structure pursuant to an Arrangement Agreement between the Company and TitanStar Focus Retail Real Estate Investment Trust which was formed by the Company to complete the reorganization.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please see the Company's news release dated January 20, 2014 which is available at www.sedar.com.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

T. Richard Turner, President, CEO and Director
Telephone: (604) 408-3808
Email rick@titanstar.ca

Item 9 Date of Report

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 21st day of January, 2014.

TITANSTAR PROPERTIES INC.

"T. Richard Turner"

Per: T. Richard Turner, President, CEO and Director