FORM 51-102F3

MATERIAL CHANGE REPORT

Item I **Name and Address of Company**

Sargasso Capital Corporation
20 Holly Street, Suite 300
Toronto, Ontario M4S 3B1

(the "Corporation")

Item 2 **Date of Material Change**

May 3, 2011

Item 3 - **News Release:**

A news release with respect to the information referred to in this material change report was issued on May 4, 2011.

Item 4 - **Summary of Material Change:**

The Corporation has announced that the TSX Venture Exchange Inc. (the "Exchange") has conditionally accepted the acquisition of all of the issued and outstanding shares of C2C Industrial Properties Ltd. ("C2C") as the Corporation's arm's-length qualifying transaction pursuant to the policies of the Exchange (the "Qualifying Transaction"). . In connection with the Qualifying Transaction, the Corporation filed on SEDAR the filing statement of the Corporation dated May 2, 2011, which contains full disclosure regarding the Qualifying Transaction and the business of C2C. The Corporation expects to close the proposed Qualifying Transaction on or about May 16, 2011, rather than March 16, 2011 as set out in the news release, in accordance with Policy 2.4 of the Exchange. The Filing Statement is available for review on SEDAR under the Corporation's profile at www.sedar.com.

Item 5 **Full Description of Material Change**

See attached news released set out in Schedule "A".

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

Richard D. McGraw
President, Chief Executive Officer, Chief Financial Officer and Secretary
20 Holly Street, Suite 300
Toronto, Ontario M4S 3B1

Telephone:	(416) 944-2700
Facsimile:	(416) 960-9532

Item 9 Date of Report

Dated at Toronto, Ontario, this 11th day of May, 2011.

SCHEDULE "A"

SARGASSO CAPITAL CORPORATION ANNOUNCES CONDITIONAL APPROVAL OF QUALIFYING TRANSACTION

<u>For Immediate Release – FOR CANADA ONLY</u>
(Not for Distribution to the United States Newswire Services or for Dissemination in the United States)

Toronto, Ontario – May 3, 2011. Sargasso Capital Corporation (the "Corporation") (TSXV:SGO.P), a capital pool company, is pleased to announce that the TSX Venture Exchange Inc. (the "Exchange") has conditionally accepted the acquisition of all of the issued and outstanding shares of C2C Industrial Properties Ltd. ("C2C") as the Corporation's qualifying transaction pursuant to the policies of the Exchange (the "Qualifying Transaction"). Final approval of the Exchange is subject to the Corporation fulfilling all of the requirements of the Exchange. In connection with the Qualifying Transaction, the Corporation filed on SEDAR the filing statement of the Corporation dated May 2, 2011, which contains full disclosure regarding the Qualifying Transaction and the business of C2C. The Corporation expects to close the proposed Qualifying Transaction on or about March 16, 2011 in accordance with Policy 2.4 of the Exchange.

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 and minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be closed as completed or at all.

Exchange approval requires, among other things, satisfaction by the Resulting Issuer of the initial listing requirements, including adequate financial resources and working capital, sponsorship, background review of the proposed directors, officers and insiders and share distribution. The Corporation believes that the minimum listing requirements will be satisfied or waived.

Investors are cautioned that, except as disclosed in the Filing Statement, 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.

All information contained in this news release with respect to the Corporation and C2C was supplied by the Corporation and C2C, respectively, for inclusion herein, and with respect to such information, the Corporation and its board of directors and officers have relied on C2C.

All of the Corporation's public disclosure filings may be accessed via <u>www.sedar.com</u> and readers are urged to review these materials.

The Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. The Exchange has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this release.

For further information, please contact:

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