# FORM 51-102F3
# MATERIAL CHANGE REPORT

**Item 1.** **Name and Address of Company**

C2C Industrial Properties Inc. (formerly Sargasso Capital Corporation)
2 Bloor Street West
Suite 1001
Toronto, Ontario
M4W 3E2

**Item 2.** **Date of Material Change**

October 3, 2012

**Item 3.** **News Release**

A News Release dated and issued September 25, 2012 at Toronto, Ontario, through CNW and SEDAR

**Item 4.** **Summary of Material Change**

The Company announced that it has issued shares to Strathallen Capital Corp. (the "Asset Manager") in order to satisfy a portion of the acquisition and asset management fees owing to the Asset Manager pursuant to the asset management agreement dated March 18, 2011, as amended (the "Asset Management Agreement").

**Item 5.** **Full Description of Material Change**

The Company announced that it has satisfied a portion of the acquisition and asset management fees owing to the Asset Manager pursuant to the Asset Management Agreement by the issuance of shares. Under the shares for debt settlement, the Company has issued 158,440 common shares to the Asset Manager at an issue price of $4.4886 per share which, in accordance with the Asset Management Agreement, was the 20-day weighted average trading price of the common shares immediately prior to approval of the issuance of the shares.This settlement constitutes full satisfaction of the $711,175.26 debt obligation that is owed by the Company to the Asset Manager. Upon issuance of the shares to the Asset Manager, the debt owed to the Asset Manager and the obligations of the Company relating to the debt were fully extinguished. The issuance of the shares pursuant to the debt settlement agreement is subject to the approval of the TSX Venture Exchange.

**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**

Chris Ross, President
Telephone: (416) 646-7353

**Item 9.** **Date of Report**

September 25, 2012