

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

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

Item 2. Date of Material Change

October 24, 2012

Item 3. News Release

A News Release was issued by the Company on October 24, 2012 and disseminated through Canada Newswire. A copy of the news release is attached as Schedule “A”.

Item 4. Summary of Material Change

On October 24, 2012, the Company announced that it had completed its offering of \$20,125,000 aggregate principal amount of convertible unsecured subordinated debentures (the “**Debentures**”) at a price of \$1,000 per Debenture. The aggregate amount purchased by the underwriters included \$2,650,000 principal amount of Debentures to cover over-allotments pursuant to the exercise of their over-allotment option.

The offering of the Debentures was completed on a bought deal basis and was underwritten by a syndicate of underwriters co-led by GMP Securities L.P. and Desjardins Securities Inc. and including National Bank Financial Inc., Macquarie Capital Markets Canada Ltd. and Dundee Securities Ltd. The Corporation intends to use the net proceeds of the Offering to acquire future properties and to conduct “value-add” activities with respect to acquired properties or proposed investments and working capital purposes, as described in the Company’s (final) short form prospectus dated October 17, 2012 (the “**Prospectus**”). The Prospectus is available on SEDAR at www.sedar.com.

Item 5. Full Description of Material Change

A full description of the material change is set forth 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

The following executive officer of the Company is knowledgeable about the material change and this report:

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

Item 9. Date of Report

October 24, 2012

SCHEDULE “A”



NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

PRESS RELEASE

Symbol: CCH (TSX-V)

FOR IMMEDIATE DISTRIBUTION

October 24, 2012

C2C INDUSTRIAL PROPERTIES INC. ANNOUNCES CLOSING OF BOUGHT DEAL OFFERING

Toronto, Ontario – C2C Industrial Properties Inc. (the “Company” or “C2C”) (CCH: TSX-V) is pleased to announce that it has completed its offering of \$20,125,000 aggregate principal amount of convertible unsecured subordinated debentures (the “**Debentures**”) at a price of \$1,000 per Debenture. The aggregate amount purchased by the underwriters included \$2,650,000 principal amount of Debentures to cover over-allotments pursuant to the exercise of their over-allotment option.

The offering of the Debentures was completed on a bought deal basis and was underwritten by a syndicate of underwriters co-led by GMP Securities L.P. and Desjardins Securities Inc. and including National Bank Financial Inc., Macquarie Capital Markets Canada Ltd. and Dundee Securities Ltd. The Corporation intends to use the net proceeds of the Offering to acquire future properties and to conduct “value-add” activities with respect to acquired properties or proposed investments and working capital purposes.

This press release is not an offer or a solicitation of an offer of securities for sale in the United States. The Debentures have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration.

About C2C Industrial Properties Inc.

C2C is a real estate investment corporation specializing in the acquisition, ownership and operation of industrial properties across Canada. C2C currently owns twenty-one light industrial properties totaling approximately 2.0 million square feet. More information about C2C (CCH: TSX-V) is available at www.c2cip.com

Contact Information

C2C Industrial Properties Inc.
Christopher Ross
President
(416) 646-7353
cross@c2cip.com

Forward-Looking Statements

This document contains forward-looking statements relating to C2C and the industry in which it operates and its strategy, action plans and investments, which may involve estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict and/or are beyond C2C's control. Consequently, readers should not place any undue reliance on such forward-looking statements. These forward-looking statements are made as of the date of this press release. C2C is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors, unless otherwise required to do so by applicable law. All forward-looking statements attributable to C2C are expressly qualified by these cautionary statements.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.

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

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