FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of the Company

The Second Cup Ltd. (the "**Corporation**")
6303 Airport Road
Mississauga, Ontario
L4V 1R8

Item 2 Date of Material Change

January 28, 2011

Item 3 News Release

The Corporation issued a news release disclosing the material change on January 28, 2011 and concurrently filed such news release on SEDAR with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of such news release is attached hereto as Appendix "A".

Item 4 Summary of Material Change

On January 28, 2011, the Corporation announced that Steven Tsambalieros will be leaving his role as Chief Operating Officer of the Corporation.

Item 5 Full Description of Material Change

See Appendix "A".

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

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Robert Masson
Chief Financial Officer
6303 Airport Road
Mississauga, Ontario
L4V 1R8
(905) 362-1824

Item 9 Date of Report

February 4, 2011.

Appendix "A"

(Please see attached.)

The Second Cup Ltd. Announces Organizational Change

Toronto (Ontario), January 28, 2011 – The Second Cup Ltd. announced today that Steven Tsambalieros will be leaving his role as Chief Operating Officer of the company.

"We would like to thank Steven for his hard work and wish him well in his future endeavours" commented Stacey Mowbray, President and Chief Executive Officer.

Steven's responsibilities will be taken up by Stacey Mowbray and the rest of the senior management team.

About The Second Cup Ltd.

The Second Cup Ltd. trades on The Toronto Stock Exchange under the symbol SCU. The Second Cup Ltd. is Canada's largest franchisor of specialty coffee cafés, as measured by number of cafés, and offers the world's finest coffee through approximately 350 owner-operated cafés across the country. For more information on The Second Cup Ltd. please visit www.secondcup.com.

For further information, please contact Robert Masson, Chief Financial Officer, (905) 362-1824 or investor@secondcup.com.