FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

The Second Cup Ltd. ("**Second Cup**" or the "**Company**")
6303 Airport Road, 2nd Floor
Mississauga, Ontario
L4V 1R8

Item 2 Date of Material Change

November 27, 2014

Item 3 News Release

A news release was issued by the Company through CNW on November 27, 2014 and has been filed on SEDAR. A copy of the news release is attached to this Material Change Report as Schedule "A".

Item 4 Summary of Material Change

Second Cup raised gross proceeds of $8,051,725 through the issuance and sale of 2,927,900 common shares by way of a private placement completed on November 27, 2014 (the "**Offering**").

Item 5 Full Description of Material Change

Second Cup raised gross proceeds of $8,051,725 through the issuance and sale of 2,927,900 common shares, at a price of $2.75 per common share, by way of a private placement completed on November 27, 2014. The common shares issued in the Offering represent approximately 29.6% of the Company's common shares outstanding immediately prior to the completion of the Offering.

The net proceeds of the Offering will be used by the Company to support Second Cup's strategic growth plan, including the renovation of Company-owned cafés in priority locations, and for general corporate purposes.

The table below sets out the insiders who participated in the Offering (the "**Participating Insiders**"), the extent of their participation in the Offering and their respective percentage holdings of Common Shares following completion of the Offering.

Name	Number of Common Shares to be Purchased	Percentage of Offering	Percentage of Outstanding Common Shares After Offering
Michael Bregman*	339,600	11.6%	6.5%
Alix Box	50,900	1.7%	0.4%
Rael Merson	130,800	4.5%	1.0%
Alton McEwen	129,100	4.4%	1.0%

Alan Simpson	68,000	2.3%	0.5%
Stephen Kelley	50,900	1.7%	0.4%
Paul Phelan	169,800	5.8%	23.0%

* Interest in the Company held indirectly through Tailwind Fund Limited Partnership

Second Cup's board of directors considered and approved the Offering unanimously.

Neither Second Cup nor, to Second Cup's knowledge after reasonable inquiry, any Participating Insider has knowledge of any material information concerning the issuer or its securities that has not been generally disclosed.

The participation by the Participating Insiders in the Offering is considered to be a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of Multilateral Instrument 61-101, as neither the fair market value of the securities issued to Participating Insiders, nor the consideration paid by such Participating Insiders, exceeds 25% of Second Cup's market capitalization.

This Material Change Report is being issued less than 21 days before the closing of the Offering. This shorter period is reasonable and necessary in the circumstances as the Company wished to complete the Offering in a timely manner.

Please refer to the press release announcing completion of the Offering attached to this Material Change Report as Schedule "A".

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

The material change report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted.

Item 8 Executive Officer

The Second Cup Ltd. ("**Second Cup**" or the "**Company**")
6303 Airport Road, 2nd Floor
Mississauga, Ontario
L4V 1R8

Telephone: (905) 362-1824

Item 9 Date of Report

December 1, 2014

Schedule “A”

Not for distribution to United States newswire services or for dissemination in the United States

Second Cup Announces Closing of Private Placement Offering

MISSISSAUGA, ON, Nov. 27, 2014 – The Second Cup Ltd. (TSX:SCU) is pleased to announce that it has closed its previously announced private placement offering with GMP Securities L.P. acting as sole agent. Pursuant to the offering, the company issued a total of 2,927,900 common shares at a price of $2.75 per share, which includes the 15% overallotment option, for gross proceeds of $8,051,725. All securities issued pursuant to the offering are subject to a four (4) month statutory hold commencing from closing.

Forward-looking Statements

This news release contains forward-looking statements (within the meaning of applicable securities laws) relating to the business of the company and the environment in which it operates, including specifically the Offering and Second Cup’s planned use of proceeds from the Offering. Forward-looking statements are identified by words such as “believe”, “anticipate”, “expect”, “intend”, “plan”, “will”, “may” and other similar expressions. These statements are based on the company’s expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. These risks and uncertainties are discussed in the company’s regulatory filings available on the Company’s web site at www.secondcup.com or at www.sedar.com and include the risk that the Offering may not complete as planned or at all. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Except as required by law, the company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances.

SOURCE The Second Cup Ltd.

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