

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Times Three Wireless Inc. ("**Times Three**" or the "**Company**")  
#208, 1610 - 37th Street S.W.  
Calgary, Alberta T3C 3P1

2. **Date of Material Change**

October 17, 2012

3. **News Release**

A news release was issued on October 17, 2012 by the Company and disseminated through the facilities of a recognized news wire service.

4. **Summary of Material Change**

The Company announced that it had launched a new initiative to realize significant value and revenue from its technology operations and patent assets. The Company announced its intention to build upon its existing wireless networking and technology licensing businesses by developing a high-margin patent licensing program, utilizing its fundamental wireless location patents, new patents it will apply for based on its numerous other inventions and anticipated future patent acquisitions.

The Company also announced that Mr. William (Bill) Middleton has accepted the position of President, Chief Executive Officer and Chief Legal Officer of Times Three, and has joined the Company's board of directors, effective October 17, 2012. The Company's former Chief Executive Officer, Mr. Keith Bohn, assumed the role of Chief Operating Officer of the Company, focusing his efforts on managing the Company's wireless networking and telemetry.

Times Three also announced that it commenced a non-brokered private placement for up to \$1.4 million (the "**Private Placement**") in which the Company may issue up to 28 million common shares in the capital of the Company ("**Common Shares**") to exempt buyers on a private placement basis at a price of \$0.05 per share.

Additionally, Times Three announced that it had entered into a settlement agreement (the "**Debt Settlement**") whereby Mr. Dave Guebert (the Company's Vice-President, Finance and Chief Financial Officer) has agreed to accept repayment of the amount of \$698,220 currently owed to Mr. Guebert by the Company, pursuant to outstanding secured debentures and unsecured advances, by way of the payment to Mr. Guebert of the amount of \$350,000 payable through the issuance of 7,000,000 Common Shares at \$0.05 per share and the issuance to Mr. Guebert of a non-interest bearing, unsecured promissory note (a "**New Note**") in the principal amount of \$348,220 repayable by the Company no later than one year from the date of issuance.

The Company also announced it had entered into a settlement agreement (the "**License Settlement**") with Location Systems Solutions Inc. ("**LSSI**") with respect to a technology licensing agreement dated July 22, 2005 (the "**Licensing Agreement**") entered into by the Company with LSSI. Mr. Keith Bohn (the Company's former Chief Executive Officer and currently its Chief Operating Officer and a director) is the majority shareholder, and a director and officer, of LSSI. In consideration for this settlement, the Company has agreed to issue 5,000,000 Common Shares to LSSI at \$0.05 per share and to issue to LSSI a New Note in the principal amount of \$250,000.

5. **Full Description of Material Change**

The Company announced that it has launched a new initiative to realize significant value and revenue from its technology operations and patent assets. The Company announced its intention to build upon its existing wireless networking and technology licensing businesses by developing a high-margin patent licensing program utilizing its fundamental wireless location patents, new patents it will apply for based on its numerous other inventions and anticipated future patent acquisitions.

The Company also announced that Mr. William (Bill) Middleton has accepted the position of President, Chief Executive Officer and Chief Legal Officer of Times Three, and has joined the Company's board of directors, effective October 17, 2012. The Company's former Chief Executive Officer, Mr. Keith Bohn, has assumed the role of Chief Operating Officer of the Company, focusing his efforts on managing the Company's wireless networking and telemetry businesses.

Mr. Middleton was formerly a senior officer at WiLAN Inc., a leading public Canadian technology innovation and licensing company, joining in 2006 as Vice-President, Licensing & General Counsel and was later appointed as a Senior Vice-President. Mr. Middleton has continued to act as a consultant to WiLAN Inc. since departing in August 2011 and has been actively leading other patent licensing programs for his American clients. He was also a past General Counsel of MOSAID Technologies Inc., another successful Canadian technology and licensing company. Mr. Middleton has extensive experience practicing litigation and technology law in two major national Canadian law firms. Mr. Middleton is currently a member of the Licensing Executives Society, the American Intellectual Property Law Association, the Intellectual Property Owners Association and of the Law Society of Upper Canada.

The Company announced that it plans to retain its Calgary head office, where its engineering team will continue its efforts to build upon the success of its wireless networking operation, to develop its telemetry applications and to contribute to the IP operations. The Company announced expects to open an office in Ottawa, Ontario, to build on Mr. Middleton's existing contacts in that region, and may later open additional offices in Austin and Dallas, Texas to capitalize on several business opportunities that have been under development by Mr. Middleton for the past 13 months.

Times Three also announced that it has commenced a Private Placement for up to \$1.4 million in which the Company may issue up to 28 million Common Shares to exempt buyers on a private placement basis at a price of \$0.05 per share. The majority of the net proceeds of the Private Placement will be used towards funding the costs of the expansion and development of the Company's technology and patent licensing programs, in particular: (i) the increased general and administrative costs relating to retaining the additional professional staff required to manage these programs, (ii) the costs of engaging technical experts and patent counsel to assist with the assessment of the Company's patents and technology, and (iii) patent filing, prosecution and maintenance expenses. A portion of the proceeds (expected to be approximately \$400,000 assuming the maximum amount is raised) will be used to reduce amounts owing under a debenture of the Company held by a third party and to retire current liabilities of the Company.

The Private Placement is scheduled to close, in one or more closings, on or about October 31, 2012, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange (the "TSXV"). The Common Shares issued pursuant to the Private Placement will be subject to a four-month hold period from the closing date.

Times Three announced it has entered into a settlement agreement whereby Mr. Dave Guebert (the Company's Vice-President, Finance and Chief Financial Officer) has agreed to accept repayment of the amount of \$698,220 currently owed to Mr. Guebert by the Company, pursuant to outstanding secured debentures and unsecured advances, by way of the payment to Mr. Guebert of the amount of \$350,000 payable through the issuance of 7,000,000 Common Shares at \$0.05 per share and the issuance to Mr. Guebert of a New Note in the principal amount of \$348,220 repayable by the Company no later than one year from the date of issuance.

The Company has also entered into a settlement agreement with LSSI with respect to the Licensing Agreement. Mr. Keith Bohn (the Company's former Chief Executive Officer and currently its Chief Operating Officer and a director) is the majority shareholder, and a director and officer, of LSSI. The Licensing Agreement required the Company to build, and to continually upgrade going forward, a wireless location network in the City of Calgary and also granted a renewable license to LSSI to use the Company's technology to operate such a network. Under the terms of the License Settlement, the Company and LSSI have agreed to terminate the Licensing Agreement and LSSI has agreed to release the Company from all of its obligations thereunder. In consideration for this settlement, the Company has agreed to issue 5,000,000 Common Shares to LSSI at \$0.05 per share and to issue to LSSI a New Note in the principal amount of \$250,000.

These settlements are subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSXV.

### ***Related Party Transaction***

Each of the Debt Settlement and the License Settlement constitute a related party transaction under the policies of the TSXV, which incorporates by reference Multilateral Instrument 61-101 ("**MI 61-101**"). Under MI 61-101, the Debt Settlement is a related party transaction because such transaction is with, and securities are being issued to, an executive officer of the Company. Under the terms of MI 61-101, the License Settlement is a related party transaction because such transaction is with, and securities are being issued to, an entity controlled by a director and executive officer of the Company. Unless an exemption is applicable, the related party rules require a formal valuation and minority approval in respect of a related party transaction. MI 61-101 contains an exemption (the "**Financial Hardship Exemption**") from the requirement to obtain shareholder approval and a formal valuation if the Company's independent board members, free from any interest in the transactions and unrelated to the parties involved in the transactions, have recommended the transactions, and the independent members of the board of directors resolve that the Company is in serious financial difficulty, the transactions are designed to improve the Company's financial condition, and the transactions are reasonable for the Company in the circumstances.

The board appointed a committee of independent directors (the "**Independent Committee**") consisting of Rob Henschel, Jeff Fortin and James Colvin (each of whom are considered an "independent director" for the purposes of MI 61-101 in respect of the Debt Settlement and the License Settlement) to consider and make certain determinations (as further described below) in respect of the Debt Settlement and the License Settlement for the purposes of MI 61-101. The Independent Committee determined, and the current board of directors (including Mr. Bohn), upon hearing from the Independent Committee, has determined that the Company is in serious financial difficulty, the transactions contemplated by each of the Debt Settlement and the License Settlement are designed to considerably improve the Company's financial condition and the transactions contemplated by the Debt Settlement and the License Settlement are reasonable in the circumstances of the Company. As a result of these factors and considering the current financial environment, the current board of directors, other than Mr. Bohn who abstained from voting on the resolution approving the License Settlement, have unanimously approved the Debt Settlement and the License Settlement.

The Company is relying on the Financial Hardship Exemption from the requirement in MI 61-101 that would otherwise require a formal valuation and shareholder approval for the Debt Settlement and the License Settlement.

Subsequent to the issuance of the 7,000,000 Common Shares to Mr. Guebert in connection with the Debt Settlement, Mr. Guebert will own or control, directly or indirectly, an aggregate of 8,168,653 Common Shares representing 12.7% of the issued and outstanding Common Shares subsequent to the completion of the Debt Settlement, the License Settlement and the Private Placement (17.0% giving effect to the Debt Settlement and License Settlement only).

Subsequent to the issuance of the 5,000,000 Common Shares to LSSI in connection with the License Settlement, Mr. Bohn will own or control, directly or indirectly, an aggregate of 7,897,798 Common Shares representing 12.3% of the issued and outstanding Common Shares subsequent to the completion of the Debt Settlement, the License Settlement and the Private Placement (16.5% giving effect to the Debt Settlement and License Settlement only).

The Company is filing this material change report in compliance with, among other things, MI 61-101 in respect of the Debt Settlement and the License Settlement. The material change report is being filed less than 21 days before the anticipated closing of the Debt Settlement and the License Settlement due to the commercial and timing considerations applicable to the transactions.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Executive Officers**

For further information, please contact:

William (Bill) Middleton  
President, Chief Executive Officer and Chief Legal Officer  
(613) 897-3894

Dave Guebert  
Vice President, Finance and Chief Financial Officer  
(403) 569-5700

9. **Date of Report**

October 19, 2012

**FORWARD-LOOKING INFORMATION**

*Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance. In particular, this material change report contains, without limitation, forward-looking statements pertaining to the following: commercialization of Times Three's patent portfolio; development of its existing technology; the intention open new offices; the timing and success of Private Placement financing and matters in respect of each of the Debt Settlement and the License Settlement.*

*With respect to forward-looking statements contained in this material change report, Times Three has made assumptions regarding, among other things, its ability to further develop and commercialize its patent portfolio; its success in development of its existing technology; receipt of regulatory, including TSXV, approvals, the anticipated use of proceeds of the Private Placement; business operations, including the hiring of personnel and opening new offices; and the timing of, and its success in obtaining, Private Placement financing. Although Times Three believes that the expectations reflected in the forward looking statements contained in this material change report, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this material change report, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Times Three's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the following: that the Company may not successfully negotiate licensing agreements related to its intellectual property; that the Company may not be successful in obtaining sufficient financing; the Company may not be able to receive third party or other regulatory approvals, including of the TSXV, in respect of the matters described herein; the Company may depot the proceed of the Private Placement for purposes not described herein; the general economic conditions in Canada, U.S. and globally; and the other factors described in Times Three's public filings available in Canada at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.*

*The forward-looking statements contained in this material change report speak only as of the date of this material change report. Except as expressly required by applicable securities laws, Times Three does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this material change report are expressly qualified by this cautionary statement.*