FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Timbercreek Financial Corp.
25 Price Street
Toronto, Ontario
M4W 1Z1

Timbercreek Mortgage Investment Corporation
(as predecessor to Timbercreek Financial Corp.)
25 Price Street
Toronto, Ontario
M4W 1Z1

Timbercreek Senior Mortgage Investment Corporation
(as predecessor to Timbercreek Financial Corp.)
25 Price Street
Toronto, Ontario
M4W 1Z1

2. Date of Material Change

June 24, 2016 and June 30, 2016.

3. News Release

A news release was issued and disseminated on June 30, 2016 through the facilities of Marketwired and filed on SEDAR (www.sedar.com). A copy of the news release is attached hereto as Schedule "A".

4. Summary of Material Change

On June 30, 2016, Timbercreek Mortgage Investment Corporation ("**TMIC**") and Timbercreek Senior Mortgage Investment Corporation ("**TSMIC**") announced the successful completion of the merger of the two companies pursuant to the previously announced plan of arrangement (the "**Arrangement**") under sections 182 and 183 of the *Business Corporations Act* (Ontario) (the "**OBCA**") to form Timbercreek Financial Corp. ("**Timbercreek Financial**"), in accordance with an arrangement agreement dated May 5, 2016, as amended (the "**Arrangement Agreement**"), between TMIC, TSMIC and Timbercreek Asset Management Inc. ("**TAMI**").

5. Full Description of Material Change

On June 30, 2016, in accordance with the Arrangement Agreement, TMIC and TSMIC completed the Arrangement, resulting in the creation of a combined company, Timbercreek Financial.

In connection with the Arrangement, TMIC, TSMIC and TAMI also completed the transactions related to the management agreements of TMIC, TSMIC and Timbercreek Financial (the "**Management Agreement Transactions**").

The Arrangement and the Management Agreement Transactions were approved by the shareholders of TMIC and TSMIC at annual and special meetings of shareholders of TMIC and TSMIC, respectively, each held on June 22, 2016. The Arrangement was also approved on June 29, 2016 by the Ontario Superior Court of Justice (Commercial List).

Pursuant to the Arrangement, former shareholders of TMIC received one (1) common share of Timbercreek Financial ("**TF Shares**") for each TMIC share held and former shareholders of TSMIC received 1.035 TF Shares for each TSMIC share held. Timbercreek Financial has also assumed, as successor to TMIC, the obligations of TMIC in respect of the 6.35% convertible unsecured subordinated debentures due March 31, 2019 in the aggregate principal amount of $34.5 million (the "**Debentures**").

Prior to completing the Arrangement, TSMIC was successfully continued from the federal jurisdiction of Canada into the Province of Ontario in accordance with the provisions of the OBCA, effective June 24, 2016.

The TF Shares and the Debentures will be listed on the Toronto Stock Exchange ("**TSX**") effective July 5, 2016 under the symbols "TF" and "TF.DB", respectively. The common shares and debentures of TMIC and the common shares of TSMIC will be de-listed from the TSX at the time of such listing.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Inquiries regarding the material change and this report may be directed to:

Carrie Morris
Investor Relations
cmorris@timbercreek.com
(416) 800-7552

9. Date of Report

July 4, 2016.

SCHEDULE "A"

NEWS RELEASE

See Attached.

Timbercreek MIC and Timbercreek Senior MIC
Announce Completion of Merger l

Toronto Stock Exchange: TMC and MTG

TORONTO, June 30, 2016 – Timbercreek Mortgage Investment Corporation (TSX: TMC) ("**TMIC**") and Timbercreek Senior Mortgage Investment Corporation (TSX: MTG) ("**TSMIC**") are pleased to announce the completion of the previously announced plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Ontario) (the "**OBCA**") pursuant to which TMIC and TSMIC have amalgamated to form Timbercreek Financial Corp. ("**Timbercreek Financial**"), a leading non-banking commercial real estate lender with a book value of approximately $650 million and a mortgage investment portfolio of approximately $1 billion.

Under the terms of the Arrangement, each former common share of TMIC was exchanged for one common share of Timbercreek Financial ("**TF Shares**"), and each former common share of TSMIC was exchanged for 1.035 TF Shares. Pursuant to the Arrangement, Timbercreek Financial has also assumed the obligations of TMIC in respect of the 6.35% unsecured covertible debentures due March 2019 in the aggregate principal amount of $34.5 million (the "**Debentures**") and has entered into a supplemental trust indenture with Computershare Trust Company of Canada in respect thereof. In connection with and as a condition to the completion of the Arrangement, TSMIC was successfully continued from the federal jurisdiction of Canada into the Province of Ontario in accordance with the provisions of the OBCA, effective June 24, 2016.

In addition, concurrently with the completion of the Arrangement, Timbercreek Financial has closed the previously announced amended and restated credit agreement for a $350 million revolving credit facility with a syndicate of lenders with The Toronto-Dominion Bank as sole lead arranger, sole book-runner and administration agent. Effective as of the completion of the Arrangement, Timbercreek Financial has also entered into a new management agreement with its manager, Timbercreek Asset Management Inc.

It is anticipated that the TF Shares and the Debentures will commence trading on the Toronto Stock Exchange ("**TSX**") under the symbols "TF" and "TF.DB", respectively, on July 5, 2016. Former TMIC shares and debentures and former TSMIC shares will be delisted from the TSX that same day.

About Timbercreek Financial

Timbercreek Financial is a leading non-bank, commercial real estate lender providing shorter-duration, customized financing solutions to professional real estate investors. Our sophisticated, service-oriented approach allows us to meet the needs of borrowers, including faster execution and more flexible terms that are not typically provided by Canadian financial institutions. By employing thorough underwriting, active management and strong governance, we are able to meet these needs while targeting strong risk-adjusted returns for investors.

Disclaimers

This news release contains forward-looking statements about Timbercreek Financial. Forward-looking statements are typically identified by words such as "expect", "is scheduled" ,"anticipate", "believe", "foresee", "could", "intend", "plan", "seek", "strive", "will", "may", "potential" and "should" and similar expressions concerning matters that are not historical facts. Some of the specific forward-looking statements in this news release include, but are not limited to, statements with respect to the completion of the Arrangement and the conditions and approvals required with respect thereto. TMIC, TSMIC and Timbercreek Financial have based these forward-looking statements on factors and assumptions about current conditions and expected future developments.

Other risks and uncertainties not presently known to Timbercreek Financial and TAMI or that Timbercreek Financial and TAMI presently believe are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional information on these and other factors that could affect the operations or financial results of TMIC or TSMIC, the predecessors ofTimbercreek Financial, are included in reports filed by TMIC and TSMIC with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Timbercreek Financial's expectations only as of the date of this news release. Timbercreek Financial and TAMI disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information:
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