

TARGET CAPITAL INC.
Notice to security holders – May 16, 2018

Who can participate in the Rights Offering?

Target Capital Inc. (“**Target**”) is distributing to eligible holders of Target’s outstanding common shares (“**Common Shares**”) rights (“**Rights**”) to subscribe for units (“**Units**”).

If you are a holder of Common Shares of record at the close of business on May 29, 2018 (the “**Record Date**”), including Common Shares issued pursuant to the non-brokered private placement that closed on December 15, 2017, you can participate in the offering of Rights (the “**Rights Offering**”), provided that you are eligible to receive Rights (as discussed in more detail below).

Who is eligible to receive Rights?

The Rights will be offered in all of the provinces and territories of Canada (other than Québec) (the “**Eligible Jurisdictions**”). You will be eligible to receive Rights if you are a holder of Common Shares and are resident in one of the Eligible Jurisdictions. As a condition to a purchase of any Units under the Rights Offering, each holder that exercises Rights (except as described below) will be deemed to have represented and warranted that it is resident in an Eligible Jurisdiction, and this representation and warranty will be relied upon by Target and AST Trust Company (the “**Depository**”).

The Rights and the securities issuable on the exercise of the Rights will not be qualified under the securities laws of any jurisdiction other than the Eligible Jurisdictions. If you are a holder of Common Shares and are resident in an ineligible jurisdiction, you will not be eligible to receive any Rights or participate in the Rights Offering except where you are able to satisfy Target in its sole discretion that your participation in the Rights Offering is lawful and in compliance with all securities and other laws in the ineligible jurisdiction where you reside and is not prejudicial to Target or its security holders.

How many Rights is Target offering?

Target is offering a total of 95,568,539 Rights. If all Rights are exercised, holders of Rights will be entitled to subscribe for a total of 23,892,135 Units.

How many Rights will you receive?

If you are an eligible holder of Common Shares, you will receive one Right for each of your existing Common Shares on the Record Date.

No fractional Rights will be issued.

What do four Rights entitle you to receive?

Every four Rights held will entitle an eligible holder to subscribe for one Unit at a subscription price of \$0.06 per Unit. Each Unit is comprised of one Common Share and one half of one Common Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.10 until June 22, 2023.

How will you receive your Rights?

If you are an eligible holder of Common Shares and you are the registered holder of your Common Shares, enclosed you will find a certificate (the “**Rights Certificate**”) representing the total number of transferable Rights to which you are entitled as of the Record Date.

If you are an eligible holder of Common Shares and you hold your Common Shares through a securities broker, dealer, bank, trust company, custodian or other intermediary (each, a “**Participant**”), you will not receive a Rights Certificate. Instead, Rights will be represented under the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). We expect you will receive a confirmation of the number of Rights issued to you by your Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights. You will be able to participate in the Rights Offering only through your Participant and you will need to contact your Participant to determine how you will be able to participate in the Rights Offering.

If you are a holder of Common Shares and are resident in an ineligible jurisdiction, you will not receive any Rights and will not be able to participate in the Rights Offering unless you are able to provide evidence satisfactory to Target that your participation in the Rights Offering is lawful and in compliance with all securities and other laws in the ineligible jurisdiction where you reside and is not prejudicial to Target or its security holders. If you are resident in an ineligible jurisdiction, you must arrange for your participation by contacting the Depository, if you are a registered holder, or your Participant, if you hold Rights through your Participant.

When and how can you exercise your Rights?

You can exercise your Rights at any time up to 5:00 p.m. (Toronto time) on June 22, 2018 (the “**Expiry Time**”).

If you hold your Rights through a Participant, you must arrange exercises, sales or transfers of Rights through your Participant.

If you are an eligible holder of Common Shares and you are the registered holder of your Common Shares, you can exercise or transfer your Rights by completing the appropriate form on your Rights Certificate and delivering it to the Depository in accordance with the instructions on your Rights Certificate and as contained in Target’s Rights Offering circular before the Expiry Time.

What are the next steps?

This document contains key information you should know about Target. You can find more details in Target’s Rights Offering circular. To obtain a copy, visit Target’s profile on the SEDAR website or contact Sonny Mottahed, President and Chief Executive Officer at (403) 351-1779. You should read the Rights Offering circular, along with Target’s continuous disclosure record, to make an informed decision.

TARGET CAPITAL INC.

Per: (signed) “Sonny Mottahed”
Sonny Mottahed
President and Chief Executive
Officer