

Form 51-102F3
Material Change Report Under
National Instrument 51-102

1. Name & Address of Company

Sixth Wave Innovations Inc. (the “**Company**”)
210 Waterfront Drive – Suite 110
Bedford, NS, Canada
B4A 0H3

2. Date of Material Change

August 28, 2020, August 31, 2020 and September 1, 2020

3. News Release

A news release with respect to the material change referred to in this report was issued through newswire services on September 1, 2020 and was subsequently filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

The Company closed the first tranche of its previously announced non-brokered private placement (the “**Unit Financing**”) of equity units (“**Units**”) in the amount of \$671,265.60. The Company also closed the second tranche of its previously announced non-brokered private placement (the “**Debenture Financing**”) and collectively with the Unit Financing, the “**Financings**”) of convertible debentures (“**Convertible Debentures**”) in the amount of \$182,000.

5. Full Description of Material Change

The Company closed the Financings for aggregate proceeds of \$853,266.

The Company closed the first tranche of its Unit Financing for aggregate proceeds of \$671,265.60, in addition to the second tranche of its previously announced Debenture Financing for aggregate proceeds of \$182,000.

Pursuant to the closing of the Unit Financing, the Company issued 2,237,552 Units at a price of \$0.30 per Unit. Each Unit consists of one common share (a “**Common Share**”) and one Common Share purchase warrant, with each warrant giving the holder the right to purchase one additional Common Share at an exercise price of \$0.50 for a period of 24 months. The Company paid finders fees in the amount of \$12,915 and issued a total of 43,049 finder’s warrants in connection with the closing of the Unit Financing. The finder’s warrants give the holder the right to purchase one Common Share at an exercise price of \$0.30 per share for a period of 24 months after closing.

Pursuant to the second tranche closing of the Debenture Financing, the Company issued 182 Convertible Debentures at a price of \$1,000 per debenture for gross proceeds totalling \$182,000. Interest on the Convertible Debentures can be paid in either cash or Common Shares (at a deemed price per share equal to the Conversion Price, as such term is hereinafter defined), at the Company's election, at a rate of 7.5% if paid in cash or 10% if paid in Common Shares, payable semi-annually on the last day of June and December of each year, commencing on December 31, 2020. The Convertible Debentures have a three-year term (the "**Term**"), with the principal amount being due to be repaid in full by the Company on August 31, 2023 (the "**Maturity Date**"). In connection with the Debenture Financing, an arm's-length finder received 36,400 finder's warrants, with each finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.35 per share for a period of 36 months from the date hereof.

In addition to the annual interest of 7.5% or 10% (as applicable), each initial holder of Convertible Debentures received a one-time commitment fee comprised of 150 commitment warrants ("**Commitment Warrants**") per Convertible Debenture. Each Commitment Warrant entitles its holder to acquire one Common Share at an exercise price of \$0.55 per Common Share for a period of 24 months.

The Company has the right, at any time during the Term, to repay in full the principal amount and any accrued and unpaid interest on the Convertible Debentures, provided that the Company gives 10 days' notice prior to doing so.

At any time during the Term, a holder of Convertible Debentures may elect to convert the outstanding net principal amount, or any portion thereof, into units ("**Debenture Units**") at a conversion price of \$0.35 per Debenture Unit (the "**Conversion Price**"). Each Debenture Unit shall consist of one Common Share and one warrant ("**Debenture Warrant**"), with each Debenture Warrant entitling the holder to acquire a Common Share at an exercise price of \$0.55 for a period ending on the Maturity Date.

The outstanding principal amount of each Convertible Debenture will automatically be converted into Debenture Units at the Conversion Price (\$0.35) if the Common Shares trade at a closing price of \$0.75 or more on the Canadian Securities Exchange (the "**CSE**") for 10 consecutive trading days. During the third year of the Term, the Company shall have the option to extend the Term by up to one additional year. If extended, then the Company shall pay a cash extension fee to the holders of Convertible Debentures in the amount of six month's interest (at the rate of 7.5% per annum).

The issuance of the Units, the Convertible Debentures and the Commitment Warrants pursuant to the Financings was (and, if applicable, the Debenture Units and any underlying Common Shares and Debenture Warrants shall be) completed on a private placement and prospectus exempt basis, as applicable, such that the issuances are (or in the case of the Debenture Units and any underlying Common Shares and Debenture Warrants, shall be) exempt from any applicable prospectus and securities registration requirements.

Pursuant to National Instrument 45-102 – Resale of Securities, all of the Units, Convertible Debentures and Commitment Warrants issued pursuant to the Financings (and any underlying Debenture Units, Common Shares or Debenture Warrants to be issued upon

conversion or exchange of these securities) are subject to a four-month hold period. Additional hold periods and/or trading or resale restrictions may also apply in the United States.

The Company intends to use the net proceeds of the Financings for the deployment of its Affinity™ cannabis purification units, as well as research into its AMIPs™ virus detection technology.

The closings of the Financings, as well as the issuance of the Convertible Debentures and Units pursuant thereto, are subject to the final acceptance of the CSE. At its discretion, the Company may complete additional tranches of the Financings in the near future. The Company will make further announcements on the closing of any such additional tranches, if applicable.

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

Not applicable

7. Omitted Information

Not applicable

8. Senior Officer

John Veltheer
Chief Financial Officer
Telephone: (604) 562-6915
Email: john@veltheer.com

DATED at Bedford, Nova Scotia this 4th day of September, 2020

SIXTH WAVE INNOVATIONS INC.

By:(signed) "Peter Manuel"
Director