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**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Issuer**

Next Green Wave Holdings Inc. (the "**Issuer**")
Suite 1680, 200 Burrard Street
Vancouver, British Columbia V6C 3L6

**Item 2. Date of Material Change**

March 11, 2019

**Item 3. News Release**

A news release announcing the material change was disseminated on March 12, 2019 and filed on SEDAR (www.sedar.com) the Conmpany's web site (www.nextgreenwave.com) as well as the OTC.

**Item 4. Summary of Material Change**

The Issuer announced that together with its US subsidiary Crossgate Capital US Holdings Corp. it has entered into a definitive agreement dated March 11, 2019 to acquire 100% of California-based SDC Ventures, LLC ("SDC") . and signed an investor relations agreement with Hybrid Financial Services.

**Item 5.1 Full Description of Material Change**

See news release attached.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**tem 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

There are no significant facts required to be disclosed herein which have been omitted.

**Item 8. Executive Officer**

Leigh Hughes, Executive Chairperson

778-589-2848

**Item 9. Date of Report**

March 12 2019

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NGW:CSE / NXGWF:OTCQB

NEWS RELEASE

# Next Green Wave Acquires for $27 Million 100% of California-Based Consumer Products Goods & Extraction Leader, SD Cannabis

Next Green Wave Immediately Enters Major Global Brand & Product Distribution Channels

**Vancouver, British Columbia – March 12, 2019** – **Next Green Wave Holdings Inc. (CSE: NGW) (OTCQB: NXGWF)** ("**Next Green Wave**" or the **"Company"**), is pleased to announce that it, together with its US subsidiary Crossgate Capital US Holdings Corp. have signed a definitive agreement (the **"Agreement"**) dated March 11, 2019 to acquire 100% of California-based SDC Ventures, LLC (**"SDC"**) (the **"Transaction"**)**.** SDC is a premium cannabis consumer products goods, manufacturing and extraction leader, having 8 leading cannabis brands with 45 CBD and THC products that have a combined global social influencer reach of over 25 million people and with 100+ million YouTube views.

SDC (WEARESDC) is a team of brand building, cannabis consumer product goods, manufacturing and extraction professionals, that have decades of experience in cannabis in California. SDC has a growing network of retail and online sales channels including 700 Zumiez stores which compliments Next Green Wave's current distribution opportunities.

"The SDC team shares our vision and provides expertise that is synergistic to that of Next Green Wave – to be the number 1 cannabis consumer products goods company in California," stated Leigh Hughes, CEO of Next Green Wave. "Not only does this acquisition give us an array of premium brands associated with key world-renowned influencers to penetrate global markets, it also gives us increased distribution with revenues from sales, along with direct to consumer reach, relationships and specialty extraction methods. Having the opportunity to market through strategic brand partners to millions of validated and loyal followers is a big deal when marketing consumer products."



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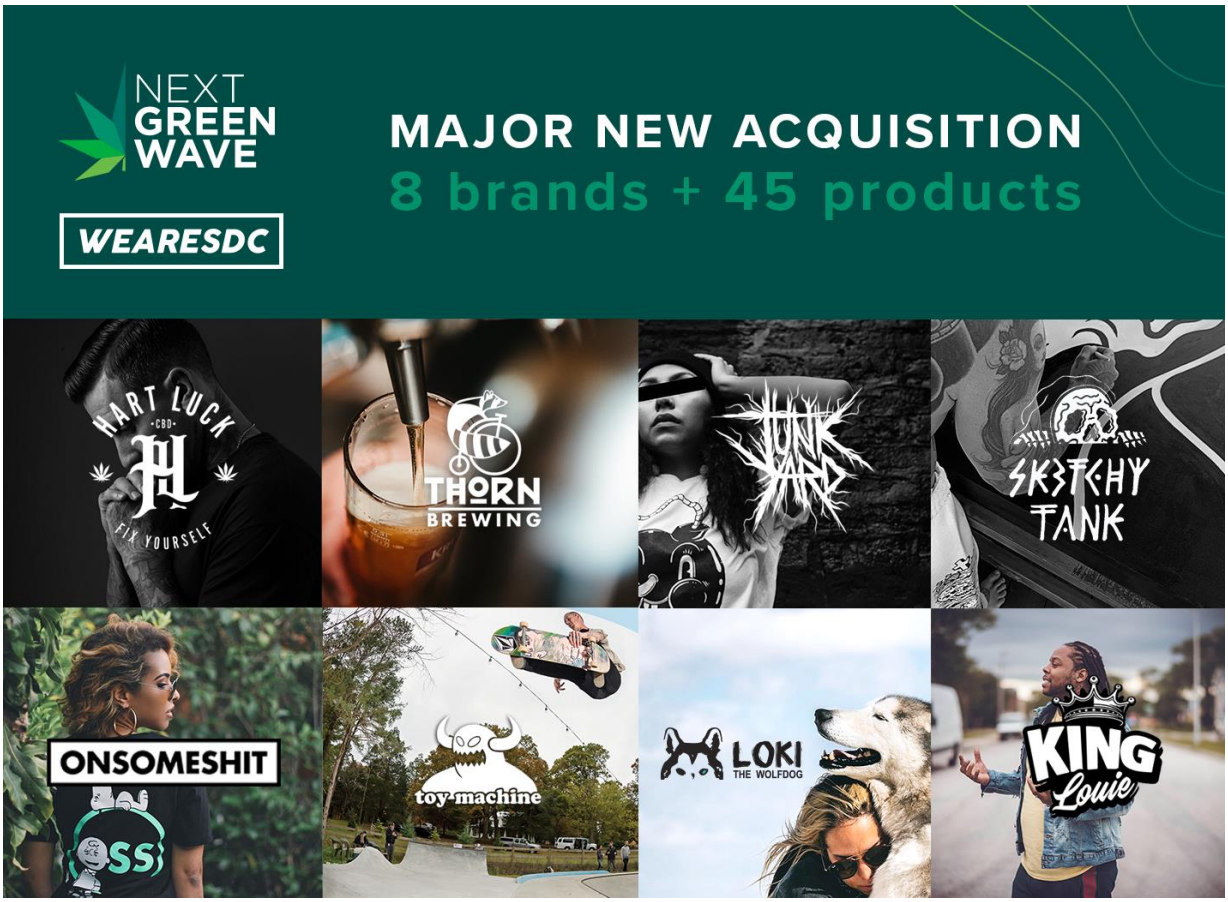


**BRANDS PARTNER LICENSES & PRODUCTS ACQUIRED**

SDC's selection of exclusive licensing relationships are defined by their connection to a core loyal global audience, their reach across digital/social platforms and their ability to partner on product development and marketing. With the Brand Partners below, over 45 CBD and THC products have been acquired that cater to the entire cannabis user market, including pets, in California and other parts of the world;

- **Carey Hart** (https://www.instagram.com/hartluck/)
  - Husband to multi Grammy winning artist Pink and as a former professional freestyle motocross rider, Carey Hart has been a fixture among motocross competitions including Gravity Games, X Games, AMA Super Moto Series and Tony Hawk's Boom Boom Tour.
- **Loki the Wolf Dog** (https://instagram.com/loki)
  - Kelly Lund and Loki became inseparable in 2012, when he brought the husky/wolf mix puppy home. Ever since then they have been traveling the world and sharing their story with millions of people through social and most recently in their newly released book, Wild Together. Kelly


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has used his platform to bring awareness to key animal issues and has also partnered with some of the world's largest brands including Toyota, Huckberry, REI and many others.

- **King Louie** (https://www.instagram.com/___king__louie___/)
  - King Louie is a Grammy nominated, up and coming hip hop artist that was cited by Spin magazine for making Chicago the biggest hip-hop scene in 2012. He regularly works in collaboration and tours with artists like Kanye West and Chance the Rapper. Currently in the recording studio, King Louie is expected to release the biggest album of his career in 2019 with major collaborations.
- **Sketchy Tank** (https://www.instagram.com/sketchy_tank/)
  - Internationally recognised artist who started his illustrations as a blog that quickly took off in the underground scene. Now his brands are widely recognized, and available at the retailer Zumiez, now carrying the Lurking Class line of clothing across their nearly 700 brick and mortar stores and online.
- **Junkyard LA** (https://www.instagram.com/junkyardla )
  - Junkyard is an illustrator and street artist who was born and raised in South Africa now splitting his time between Chicago and LA. Known for some of his larger than life black and white murals and clothing he has teamed up with some of the biggest brands in the game.
- **Toy Machine Skateboard Co (**https://www.instagram.com/toymachine/)
  - Toy Machine has been building their reputation and acquiring a loyal fan base for over twenty years. The company, founded by Ed Templeton, is owned under distribution company Tum Yeto. Toy Machine is widely known for its alien-like graphics designed by Templeton. The company is a strong leader in the skateboard industry, and they show no signs of slowing down.
- **SD Cannabis (**http://instagram.com/weare.sdc) (https://instagram.com/sdcannabis)
  - Two of SD Cannabis' founders built a massive following and fan base with their custom Harley shop San Diego Customs. Known in the industry as one of the premier motorcycle shops in the world, they regularly partner with Harley Davidson to help give its production bikes the edge needed to make some noise among hard core riders.
- **OSS (**https://www.instagram.com/onsomeshit/)
  - ONSOMESHIT or OSS as it is called, has grown into a mega brand of its own over the last few years. It started in a small BMX stop on Melrose Ave, LA next to the famed BAIT store. In that shop the team started to interview BMX pros and music celebrities when in town on their podcast called @NOJumper, that quickly grew in following to well over 1 Million followers on Instagram.
- **Thorn St. Beer (**https://www.instagram.com/thornbeer/)
  - Thorn Brewing was born out of the craft beer movement that has taken the US by storm. Started in the craft beer capital of America, San Diego, their growth has continued with distribution throughout California and plans for national distribution in 2019. Their new state-of-the-art brewery has become a must see stop for beer fanatics that come to San Diego to experience some of the world's best beer. They were also the first brewery to make a terpene infused beverage.


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"We are excited to join forces with Next Green Wave, which is arguably one of the leading cannabis innovators in California," said Ryan Lange, SDC co-founder. "This transaction will allow the SDC team to capitalize on its decades of cannabis expertise in California and to rapidly expand our brands, distribution channels and manufacturing expertise across the state and into international markets. Next Green Wave brings world-class leadership and coupled with our common values as innovators, we believe by joining forces we can accelerate our proposition to become a serious cannabis consumer product goods company."

**ACCELERATING MANUFACTURING THROUGH ACQUISITION**

SDC brings years of experience in cannabis manufacturing and extraction processes that give an edge and creative ability to experiment with new methods in production of finished products. As part of this transaction, the SDC team will immediately become the Head of our Extraction and Manufacturing unit within our 3,240 sq. ft facility. Speciality extraction and manufacturing methods include ice water hash – the washing of the cannabis plant from whole plant fresh frozen material, rosin pressed from ice water hash and cannabis only terpenes that have a special process to end with a final result that has never been winterized. These artisanal methods will have an immediate impact on new products that Next Green Wave will now bring to market within the next three months.

As part of this transaction, SDC brings over 30 different types of extraction-based products across its 8 brand partners including everything from vape cartridges, rosins, ice water hash, tinctures, dog products, consumables as well as a number of CBD wellness and recovery products.

**TRANSACTION DETAILS**

The purchase will be completed through the Company's wholly-owned subsidiary Crossgate Capital US Holdings Corp. The total value of this transaction is $20.6 million in cash, shares and performance shares to be earned over the next three years and will be payable as follows (all cash amounts in US currency):

a) $600,000 on closing of the Transaction, to be satisfied by either, at the sole discretion of the SDC Securityholders, (i) cash to be fully paid within the sixty (60) days of CSE approval of the Transaction; or (ii) Next Green Wave Shares each at a deemed price of the volume weighted average price of the Company's shares as traded on the Canadian Securities Exchange for the 20 day period (the "**20 Day VWAP**") prior to the Closing Date; and

b) $4,000,000 on completion of the transfer of all rights and titles of the assets of SDC, to be satisfied by the issuance of Next Green Wave Shares each at a deemed price of the 20 Day VWAP prior to the date of completion.

In addition, to the above, if certain performance metrics are met, additional consideration will be paid as follows:



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c) $750,000 on execution of the reassignment of each of the eight (8) definitive partnership agreements to a maximum of $6,000,000 to be satisfied by the issuance of Next Green Wave Shares each at a deemed price of the 20 Day VWAP on the date of execution of each such partnership agreement;

d) $5,000,000 at the end of the period beginning one-hundred and twenty (120) days after Closing ("**Year 1**") on achieving net sales targets, to be satisfied by the issuance of Next Green Wave Shares each at a deemed price of $1 per Next Green Wave Share; and

e) $5,000,000 at the end of the twelve (12) month period immediately following Year 1 on achieving year 2 net sales targets, to be satisfied by the issuance of Next Green Wave Shares each at a deemed price of $1 per Next Green Wave Share.

Each of the above performance metrics allow for a pro-rata amount to be paid for partial completion of the metric. In the case of the performance metrics relating to net sales, in order for the 10,000,000 shares to be issued under (d) and (e) above SDC will be required to achieve $50,000,000 in net sales.

Each of the SDC Securityholders have entered into an Escrow Agreement such that the Next Green Wave Shares issued will continue to be held in voluntary escrow and released over a 36-month period and pursuant to the terms of those escrow agreements. This transaction is an arm's length transaction.

The Company has agreed to pay finders' fees to certain finders equal to approximately 3.6% of the value of the transaction to be paid according to the schedule of closings set out above.

The above transaction and finders' fees are subject to the acceptance of the Canadian Securities Exchange.

**APPOINTMENT OF HYBRID FINANCIAL FOR INVESTOR RELATIONS SERVICES**

The Company has also appointed Hybrid Financial Services of Toronto, Ontario as investor relations consultants, to provide comprehensive investor relations services coverage across both Canada and U.S market. The Company will issue $150,000 worth of shares at a price of $0.67 CAD as compensation for a six-month marketing agreement. The shares are subject to a four-month hold period.

**ABOUT NEXT GREEN WAVE**

Next Green Wave (NGW) is a vertically integrated seed-to-consumer premium medicinal and recreational cannabis company operating in California - the world's largest cannabis market. NGW has acquired licenses for its nursery/breeding, cultivation, extraction, and distribution operations covering both medical and recreational cannabis production and services. Construction of phase one of the indoor facility (35,000 $ft^2$) has been completed and is now moving into production of premium cannabis products. NGW will push the innovation envelope and will develop premium brands that can be distributed across the globe. NGW has a library of more than 120 genetic cannabis strains which include several cannabis cup award winning genetics. The company has acquired over 15 acres of cannabis-zoned development land in Coalinga, California, providing future growth. To find out more visit us at www.nextgreenwave.com or follow us on Twitter at @nextgreenwave, on Instagram, and LinkedIn.



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**ABOUT SD CANNABIS**

SD Cannabis (SDC) specializes in developing extraction and manufacturing methods that focus on maintaining the quality and natural benefits of cannabis. Through its use of the most sophisticated equipment available, the team takes a scientific approach to capturing all of the active available cannabinoids in the plant and then integrates those ingredients into products without adding other artificial or dangerous fillers. In addition, SDC's leadership team brings decades of experience in developing, launching and marketing brands across the landscape of culture, art, music, action sports, and fashion with a core understanding of how to leverage the power of today's influencers to drive consumer demand and product innovation. To find out more, visit us at www.wearesdc.com and on Instagram.

**On behalf of the Board,**
**Leigh Hughes**
**CEO and Executive Chairman, Next Green Wave Holdings Inc.**

For more details on this release **please click on the following video** interview:

*https://youtu.be/MemRxjNnpEU*


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*Next Green Wave Forward Looking Statements*

*This press release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking statements." Forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such risks and uncertainties include, among others, the risk factors included in the preliminary prospectus, including without limitation dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing state, local or other licenses and any inability to obtain all necessary governmental approvals licenses and permits to complete construction of its proposed facilities in a timely manner; engaging in activities which currently are illegal under US federal law and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, particularly in California, due to inconsistent public opinion, perception of the medical-use and adult-use marijuana industry, bureaucratic delays or inefficiencies or any other reasons; any other factors or developments which may hinder market growth; NGW's limited operating history and lack of historical profits; reliance on management; NGW's requirements for additional financing, and the effect of capital market conditions and other factors on capital availability; competition, including from more established or better financed competitors; and the need to secure and maintain corporate alliances and partnerships, including with customers and suppliers. Readers are encouraged to the review the section titled "Risk Factors" in NGW's preliminary prospectus. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. Although NGW has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended.*

*There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements. NGW no obligation to update any forward-looking statement, even if new information becomes available as a result of future events, new information or for any other reason except as required by law.*

**For more information regarding Next Green Wave, contact:**
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