

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

**1. Name & Address of Company**

Sixth Wave Innovations Inc.  
210 Waterfront Drive – Suite 110  
Bedford, NS, Canada  
B4A 0H3

**2. Date of Material Change**

August 20, 2020

**3. News Release**

A news release with respect to the material change referred to in this report was issued through newswire services on August 20, 2020 and was subsequently filed on the system for electronic document analysis and retrieval (SEDAR).

**4. Summary of Material Change**

Sixth Wave Closes Financing

**5. Full Description of Material Change**

Sixth Wave Innovations Inc. (“Sixth Wave” or the “Company”) is pleased to announce that it has closed a non-brokered private placement (the “Financing”) of unsecured convertible debentures (“Convertible Debentures”). Pursuant to the closing of the Financing, the Company issued 500 Convertible Debentures at a price of \$1,000 per debenture for gross proceeds totalling \$500,000. Interest on the Convertible Debentures can be paid in either cash or common shares of the Company (“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 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 ("Units") at a conversion price of \$0.35 per Unit (the "Conversion Price"). Each Unit shall consist of one Common Share and one warrant ("Warrant"), with each 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 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 Convertible Debentures and the Commitment Warrants was (and, if applicable, the Units and any underlying Common Shares and 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 Units and any underlying Common Shares and Warrants, shall be) exempt from any applicable prospectus and securities registration requirements.

Pursuant to National Instrument 45-102 – Resale of Securities, all of the Convertible Debentures and Commitment Warrants issued pursuant to the Financing (and any underlying Units, Common Shares or Warrants to be issued upon conversion or exchange of these securities) are subject to a four-month hold period, expiring on December 21, 2020. Additional hold periods and/or trading or resale restrictions may also apply in the United States. In connection with the closing of the Financing, an arm's-length finder received 112,000 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.

Pursuant to the Financing, a certain director of the Company subscribed for 10 Convertible Debentures for gross proceeds to the Company of \$10,000, which is considered a related party transaction within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Full details of this transaction will be available on the System for Electronic Disclosure by Insiders (SEDI), available at: [www.sedi.ca](http://www.sedi.ca). The Financing is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the Financing, nor the consideration paid, exceed 25% of the Company's market capitalization. No additional insiders or related parties of the Company participated in the Financing or the debt settlement described below. No new insiders or control persons were created in connection with the closing of the Financing.

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

The Company further reports that it has settled \$60,000 of debt through the issuance of 60 Convertible Debentures with the same terms as the Financing, as described above.

The closing of the Financing and issuance of the Convertible Debentures is conditional on the final acceptance of the CSE. At its discretion, the Company may complete additional tranches of the Financing 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 25<sup>th</sup> day of August, 2020

**SIXTH WAVE INNOVATIONS INC.**

By:(signed) "John Veltheer"  
Chief Financial Officer