

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**ITEM 1. Name and Address of Company**

New Wave Esports Corp. (the “**Company**” or “**New Wave Esports**”)  
401, 217 Queen Street West  
Toronto, ON  
M5V 0R2

**ITEM 2. Date of Material Change**

February 13, 2020 and February 24, 2020

**ITEM 3. News Release**

The Company issued a press release with respect to the material changes referred to in this report via a Canadian news wire service on February 14, 2020 and February 24, 2020, copies of which have been filed on SEDAR.

**ITEM 4. Summary of Material Change**

On February 13, 2020, the Company closed the first tranche of a non-brokered private placement of secured convertible debentures for gross proceeds of \$500,000.

On February 24, 2020, the Company closed the second and final tranche of a non-brokered private placement of secured convertible debentures for gross proceeds of \$100,000.

**ITEM 5. Full Description of Material Change**

On February 13, 2020, the Company closed the first tranche of a non-brokered private placement (the “**First Tranche Offering**”) of secured convertible debentures of the Company (the “**First Tranche Convertible Debentures**”) pursuant to which the Company issued convertible debentures in the aggregate principal amount of \$555,555.55, for gross proceeds of \$500,000.00 (reflecting an original discount equal to 10% of the principal amount of the First Tranche Convertible Debentures) to the Company.

On February 24, 2020, the Company closed the second and final tranche of a non-brokered private placement (the “**Second Tranche Offering**”) of secured convertible debentures of the Company (the “**Second Tranche Convertible Debentures**”, and collectively with the First Tranche Convertible Debentures, the “**Convertible Debentures**”), pursuant to which the Company issued convertible debentures in the aggregate principal amount of \$111,111.12, for gross proceeds of \$100,000.00 (reflecting an original discount equal to 10% of the principal amount of the Convertible Debentures) to the Company.

The Convertible Debentures are convertible into common shares of the Company (each, a “**Share**”) at a conversion price of \$0.10 per Share (the “**Conversion Price**”), and will mature two years from the date of issuance. On the one year anniversary of each maturity date, the principal amount of the Convertible Debentures shall automatically increase by 10% if the Convertible Debentures remain outstanding. Beginning on the date that is four months and one day following the closing date of the First Tranche Offering and Second

Tranche Offering, respectively, the Company will have the right to prepay or redeem a part or the entire principal amount of the Convertible Debentures plus any accrued and unpaid interest at any time by providing a minimum of 30 days and a maximum 60 days of redemption notice prior to the redemption date. The Conversion Price will be subject to customary adjustments in certain events.

The Convertible Debentures will not bear interest until the Maturity Date or any event of default. After either event, if the Convertible Debentures remain unpaid, they will bear interest at a rate of 22% per annum, paid monthly.

On closing of the First Tranche Offering, the Company issued to the purchaser of the First Tranche Convertible Debentures 5,555,556 Share purchase warrants for each Share underlying the First Tranche Convertible Debenture purchased (the “**First Tranche Warrants**”). On closing of the Second Tranche Offering, the Company issued to the Purchasers of the Second Tranche Convertible Debentures an aggregate of 1,111,112 Share purchase warrants for each Share underlying the Second Tranche Convertible Debenture purchased (the “**Second Tranche Warrants**”, and together with the First Tranche Warrants, the “**Warrants**”).

The Warrants are exercisable for a period of two (2) years from issuance into Shares of the Company with each warrant entitling the holder thereof to acquire one Share (each, a “**Warrant Share**”) at an exercise price of \$0.15 per Warrant Share (the “**Exercise Price**”).

If at any time during the term of the Convertible Debentures and the Warrants, the Company issues securities at price deemed lower than the Conversion Price or Exercise Price then in effect, or issues any warrants or options with an exercise price at a lower price than the Conversion Price or Exercise Price then in effect (but exclusive of options or other forms of equity issued under the Company’s Stock Option Plan or Restricted Share Unit Plan, up to a combined maximum limit of 20% of the issued and outstanding Shares as of the closing date), then the Conversion Price and the Exercise Price, as the case may be, will be adjusted downward to such lower exercise price if warrants or options were issued, or 150% of the deemed issuance price of the securities if no warrants or options were issued. Further, if during the term of the Warrants, the Company issues warrants with an exercise price below the Exercise Price then in effect, the Company will issue to the subscriber special warrants at such lower exercise price, equal to the number of warrants the subscriber would have received on the Closing Date if such lower exercise price would have been used to calculate (based on an exercise price being 150% of the conversion price) the number of warrants.

An insider of the Company participated in the Second Tranche Offering. Such participation represented a related-party transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), but the transaction was 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 transaction, nor the consideration paid, exceeded 25% of the Company’s market capitalization. The Second Tranche Offering was approved by all of the independent directors of the Company.

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

Not Applicable.

**ITEM 7. Omitted Information**

No information has been omitted from this material change report.

**ITEM 8. Executive Officer**

The following senior officer of the Company is knowledgeable about the material change and this report and may be contacted as follows:

Daniel Mitre  
Chief Executive Officer  
New Wave Esports Corp.

Telephone: 416 917-5847

**ITEM 9. Date of Report**

February 24, 2020