

FORM 51-102F3

MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

Friday Night Inc. ("Friday Night" or the "Company")  
734-1055 Dunsmuir Street  
Vancouver, British Columbia  
V7X 1B1

**Item 2 Date of Material Change**

August 16, 2017

**Item 3 Report**

A press release was disseminated on August 16, 2017 through the news wire service FSC Wire.

**Item 4 Summary of Material Change**

Friday Night closed its previously announced private placement of \$5,500,000 aggregate principal amount of convertible debenture units (the "Convertible Debenture Units") at a price of \$1,000 per Convertible Debenture Unit.

**Item 5 Full Description of Material Change:**

Friday Night closed its previously announced (July 10, 2017) private placement of \$5,500,000 aggregate principal amount of convertible debenture units (the "**Convertible Debenture Units**") at a price of \$1,000 per Convertible Debenture Unit. Each Convertible Debenture Unit consists of a \$1,000 principal amount 10% senior unsecured convertible debenture (each a "**Convertible Debenture**") and 4,000 common share purchase warrants (the "**Warrants**") of the Company (the "**Offering**"). Each Warrant is exercisable to acquire one common share of the Company (a "**Warrant Share**") at an exercise price of \$0.35 per Warrant Share until August 16, 2019, provided that if, at any time after December 17, 2017 and prior to the expiry date of the Warrants, the volume weighted average trading price of the common shares of the Company (the "**Common Shares**") equals or exceeds \$0.70 for 10 consecutive trading days, the Company may, within 30 days of the occurrence of such event, deliver a notice to the holders of the Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice. Any unexercised Warrants shall automatically expire at the end of the accelerated exercise period.

The Convertible Debentures bear interest from the date of closing at 10.0% per annum, payable in common shares of the Company at a deemed price of \$0.25 (subject to withholdings for non-residents), semi-annually on June 30 and December 31 of each year and will expire on August 16, 2019 (the "**Maturity Date**"). The Debentures are convertible into Common Shares ("**Debenture Shares**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date; and (ii) the date fixed for redemption, at a conversion price of \$0.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain events. Additionally, beginning on December 17, 2017, the Company may force the conversion of all of the principal amount of the then outstanding Convertible Debentures at the

Conversion Price on 30 days prior written notice should the daily volume weighted average trading price of the Common Shares be greater than \$0.45 for any 10 consecutive trading days. The Convertible Debentures will be subject to redemption, in whole or in part, by the Company at any time after August 16, 2018 upon giving holders not less than 30 and not more than 60 days' prior written notice, at a price equal to the then outstanding principal amount of the Convertible Debentures plus all accrued and unpaid interest up to and including the redemption date.

The Company intends to use the net proceeds of the Offering for expanding its growing operations in Las Vegas, Nevada and for general corporate purposes.

Canaccord Genuity Corp. (the "**Agent**") acted as sole lead manager and sole book runner for the Offering. The Company paid the Agent a cash fee of \$395,800 and issued 200 Convertible Debenture Units (the "**Agent's Units**"), in payment of the Agent's commission, corporate finance fee and expenses. In addition, the Agent received an option (the "**Agent's Option**") to acquire 2,155,200 units of the Company ("**Units**") at an exercise price of \$0.25 per unit. Each Unit is comprised of one Common Share (each a "**Unit Share**") and one common shares purchase warrant (each a "**Unit Warrant**"), exercisable for one Unit Share at a price of \$0.35 per Unit Share (the "**Unit Warrant Shares**"), subject to the same terms and conditions as the Warrants. The securities issued pursuant to the Offering (including the Convertible Debentures, the Warrants, the Agent's Units and the underlying Convertible Debentures and Warrants, the Agent's Option and the underlying Unit Shares, Unit Warrants and Unit Warrant Shares) are all subject to a hold period under applicable Canadian securities laws of four months and a day, which will expire on December 17, 2017.

**Item 6 Reliance on Section 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Brayden Sutton  
Chief Executive Officer  
(604) 674-4756

**Item 9 Date of Report**

August 17, 2017