

**Form 51-102F3
Material Change Report**

**Section 7.1 of National Instrument 51-102
Continuous Disclosure Obligations**

Item 1 Name and Address of Company

Friday Night Inc. (the "Company")
105 – 45655 Tamihi Way
Chilliwack, BC, V2R 2M3

Item 2 Dates of Material Change

September 14, 2018

Item 3 News Release

A news release relating to the material change was disseminated via FSCwire on September 14, 2018. The news release has also been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available at www.sedar.com.

Item 4 Summary of Material Change

On September 14, 2018, the Company closes its previously announced short form prospectus offering (the "**Offering**") of convertible debenture units (the "**Debenture Units**"). The Offering, including the exercise of an over-allotment option, raised gross proceeds to the Company of \$17,250,000 and was led by Canaccord Genuity Corp. as lead agent and sole bookrunner, together with Beacon Securities Limited (together, the "**Agents**").

Item 5 Full Description of Material Change

On September 14, 2018, the Company completed the Offering raising gross proceeds of \$17,250,000.

Pursuant to the Offering, the Company issued an aggregate of 17,250 Debenture Units at a price per Debenture Unit of \$1,000. Each Debenture Unit consisted of: (i) one 10.0% unsecured convertible debenture of the Company in the principal amount of \$1,000 (each, a "**Debenture**") convertible into common shares ("**Common Shares**") at a conversion price of \$0.45 per common share (the "**Conversion Price**") at the option of the holder, with interest payable semi-annually in arrears on June 30 and December 31 of each year and maturing on September 14, 2021; and (ii) 2,222 common share purchase warrants (each, a "**Warrant**") expiring September 14, 2021. The Debentures will be repaid in cash at maturity.

Each Warrant will entitle the holder thereof to purchase one Common Share (each, a "**Warrant Share**") at an exercise price of \$0.65 per Warrant Share until September 14, 2021, subject to adjustment in certain events.

The Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price

of the Common Shares on the Canadian Securities Exchange (the “CSE”) be greater than \$0.70 for any 10 consecutive trading days.

The Debenture Units were issued pursuant to the terms and conditions of an agency agreement dated August 30, 2018 between the Company and the Agents (the “Agency Agreement”). Pursuant to the Agency Agreement, the Agents were paid a cash commission of \$1,380,000, a corporate finance fee of \$50,000 and were issued 3,066,666 broker warrants (the “Broker Warrants”).

Each Broker Warrant entitles the holder to one unit (each, a “Broker Unit”). Each Broker Unit is comprised of one Common Share and one common share purchase warrant, bearing the same exercise price and term as the Warrants.

The Debenture Units were issued pursuant to a final short form prospectus dated August 30, 2018 filed with the securities regulatory authorities in British Columbia, Alberta, Saskatchewan and Ontario (the “Prospectus”). A copy of the Prospectus is available under the Company’s profile on SEDAR at www.sedar.com.

The Debentures, Warrants, and Common Shares underlying the Debentures and Warrants are listed on the CSE.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not Applicable.

Item 8 Executive Officer

Brayden Sutton, President & CEO
604-674-4756 (ext. 1)

Item 9 Date of Report

September 14, 2018.