

**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**

August 30, 2018

**Item 3 News Release**

A news release relating to the material change was disseminated via FSCwire on August 31, 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](http://www.sedar.com).

**Item 4 Summary of Material Change**

On August 31, 2018, the Company filed a final short form prospectus in the provinces of British Columbia, Alberta, Saskatchewan and Ontario pursuant to National Instrument 44-101 - Short Form Prospectus Distributions in connection with a commercially reasonable efforts offering of convertible debenture units for aggregate gross proceeds of a minimum of \$7,000,000 and a maximum of C\$15,000,000 (the "**Offering**"). The Offering will be led by Canaccord Genuity Corp. as lead agent and sole bookrunner together with Beacon Securities Limited (collectively, the "**Agents**").

**Item 5 Full Description of Material Change**

On August 31, 2018, the Company filed a final short form prospectus in the provinces of British Columbia, Alberta, Saskatchewan and Ontario pursuant to National Instrument 44-101 - Short Form Prospectus Distributions in connection with the Offering.

The Offering will consist of the sale of a minimum of 7,000 and a maximum of 15,000 convertible debenture units of the Company ("**Debenture Units**") at a price per Debenture Unit of C\$1,000 (the "**Offering Price**"). Each Debenture Unit will consist of one 10.0% unsecured convertible debenture of the Company in the principal amount of \$1,000 (each, a "**Debenture**") with interest payable semi-annually in arrears on June 30 and December 31 of each year and maturing three years from the date the Debentures are issued, and 2,222 common share purchase warrants (each, a "**Warrant**") expiring 36 months after the date of issuance of such Warrants. 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 at any time up to 36 months following the closing date of the Offering (the "**Closing Date**"), subject to adjustment in certain events.

The Debentures issued under the Offering will be convertible at the option of the holder of the Debenture into common shares (the “**Debenture Shares**”) at any time prior to the earlier of: (i) the close of business on the maturity date; and (ii) the business day immediately preceding the date specified for redemption of the Debentures upon a change of control of the Company, at a conversion price of \$0.45 per Debenture Share, subject to adjustment in certain events (the “**Conversion Price**”).

The Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on less than 30 days’ notice should the daily volume weighted average trading price of the common shares of the Company (the “**Common Shares**”) on the Canadian Securities Exchange (the “**CSE**”) be greater than \$0.70 for any 10 consecutive trading days.

Upon a change of control of the Company, holders of the Debentures will have the right to require the Company to repurchase their Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the change of control, at a price equal to 104% of the principal amount of the Debentures then outstanding plus accrued and unpaid interest thereon (the “**Offer Price**”). If 90% or more of the principal amount of the Debentures outstanding on the date of the notice of the change of control have been tendered for redemption, the Company will have the right to redeem all of the remaining Debentures at the Offer Price.

The Company has applied to list the Debentures, Debenture Shares, Warrants, Warrant Shares and Broker Shares (as defined below) on the CSE.

In addition, the Company has granted the Agents an option (“**Over-Allotment Option**”) to purchase up to an additional 2,250 Debenture Units, representing up to 15% of the Offering, at the Offering Price to cover over-allotments, if any. The Over-Allotment Option shall be exercisable by the Agents, in whole or in part, at any time up to 60 days following the Closing Date.

The Company has agreed to: (i) pay the Agents a cash commission equal to 8% of the gross proceeds of the Offering, including the gross proceeds raised on the exercise of the Over-Allotment Option, if applicable and (ii) issue to the Agents non-transferable broker warrants (the “**Broker Warrants**”) to purchase such number of units (collectively, the “**Broker Units**”) as is equal to 8% of the number of Common Shares issuable upon conversion of 100% of the Debentures sold under the Offering (based on a conversion price of \$0.45 per Common Share), including those Common Shares issuable upon the conversion of the Debentures sold on the exercise of the Over-Allotment Option, if applicable, exercisable at a price of \$0.45 per Broker Unit for a period of 36 months from the closing date. Each Broker Unit will comprise one Common Share (a “**Broker Share**”) and one common share purchase warrant, bearing the same exercise price and term as the Warrants.

The Company intends to use the net proceeds of the Offering for the expansion of its 91% owned subsidiaries, Alternative Medicine Association, LC and Infused MFG, LLC, into new markets in the United States and Canada, and for working capital and general corporate purposes.

**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.