

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF ISSUER

Aquarius AI Inc. (the “**Company**” or “**AQUA**”)
10th Floor, 595 Howe Street
Vancouver, BC V6C 2T5

ITEM 2. DATE OF MATERIAL CHANGE

March 19, 2020

ITEM 3. NEWS RELEASE

Issued on March 19, 2021 and distributed through the facilities of Newsfile Corp. and subsequently filed on System for Electronic Document Analysis and Retrieval (SEDAR).

ITEM 4. SUMMARY OF MATERIAL CHANGE

On March 19, 2021, the Company announced the closing of the second and final tranche of its previously announced non-brokered private placement (the “**Private Placement**”) of units (the “**Units**”). Together with the closing of the first tranche of the Private Placement completed on March 16, 2021, the Company issued an aggregate of 25,111,983 Units, at a price of \$0.12 per Unit to raise gross proceeds of \$3,013,437.96.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

On March 19, 2020, the Company announced the closing of the second tranche of the Private Placement, whereby, together with the first tranche of the Private Placement, the Company issued an aggregate of 25,111,983 Units, at a price of \$0.12 per Unit to raise gross proceeds of \$3,013,437.96. Each Unit consists of one common share of the Company (each, a “**Common Share**”) and one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant is exercisable to acquire an additional Common Share at an exercise price of \$0.25 per Common Share for a period of 24 months following the closing of the Private Placement, subject to adjustment in certain circumstances.

Under the Private Placement, the Company also paid finders’ fees to eligible finders. In consideration for introducing certain subscribers to the Private Placement, the Company issued 679,126 finder’s warrants (“**Finder’s Warrants**”) and paid cash finders’ fees totaling \$81,375.20 to certain finders. Each Finder’s Warrant will entitle the holder, on exercise thereof, to purchase one Common Share at a price of \$0.25 per Common Share for a period of 24 months from the completion of the Private Placement.

The Company intends to use the proceeds from the Private Placement for general working capital.

All securities issued in connection with the Private Placement will be subject to a four-month and one day hold period from their date of issue under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada. The private placement is subject to all necessary regulatory approvals including final acceptance from the TSX Venture Exchange.

The following insider of the Company (the “**Insider**”) participated in the Offering:

- Jesse Dylan, a director and Executive Chairman of the Company subscribed for 1,250,000 Units.

Accordingly, the Private Placement is a related party transaction under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

The directors of the Company, excluding the interested director to the extent of his own participation in the Private Placement, determined that the Private Placement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as, at the time the Private Placement was agreed to, neither the fair market value of the securities to be distributed in the Private Placement nor the consideration to be received for those securities, insofar as the Private Placement involves the Insiders, exceeded 25% of the Company's market capitalization.

The table below sets out the shareholdings of the Insider prior to and following completion of the Private Placement on a non-diluted basis:

Name	Shareholdings prior to the Offering		Shareholdings following the Offering	
	Number	Percentage	Number	Percentage
Jesse Dylan	0	0%	1,250,000	2.50%

In connection with the Private Placement, the Insider entered into a subscription agreement with the Company containing customary provisions and on the same terms as the arm’s length subscribers to the Private Placement.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement as the details of the Private Placement and the participation therein by related parties of the Company were not settled until shortly prior to closing of the Private Placement and the Company wished to close on an expedited basis for sound business reasons and in a timeframe consistent with usual market practices for transactions of this nature.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not Applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: Jesse Dylan, Executive Chairman
Telephone: (604) 341-8300

ITEM 9. DATE OF REPORT

March 26, 2021