

**Form 62-103F1**  
***Required Disclosure under the Early Warning Requirements***

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to common shares of NexTech AR Solutions Corp. (the “**Issuer**”).

The Issuer has a head office at 349 Carlaw Ave, Suite 304, Toronto, Ontario M4M 2T1.

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The transaction was carried out in a private transaction and not through any market.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Evan Gappelberg, c/o 349 Carlaw Ave, Suite 304, Toronto, Ontario M4M 2T1.

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On July 19, 2019, Mr. Gappelberg acquired \$657,000 worth of convertible debentures (the “**Debentures**”) of the Issuer and 1,095,000 share purchase warrants (the “**Warrants**”) of the Issuer. The Debentures bear interest at a rate of 9% per annum (non-compounded) and mature on July 19, 2022. The principal amount of the Debentures and accrued interest thereon will be payable by the Issuer to the holder of the Debenture in 12 quarterly payments. Pursuant to the terms of the Debentures, and subject to adjustment, the Issuer will have the option to pay the amount due at each payment date (i.e. principal amount and accrued interest) in cash and/or common shares of the Issuer based on a conversion price of \$0.60 per share (the “**Conversion Price**”). Each Warrant is exercisable into one common share of the Issuer at an exercise price of \$0.70 per share until July 19, 2021, subject to the accelerated exercise period in accordance with the terms of the certificate representing the Warrant.

**2.3 State the names of any joint actors.**

Not applicable.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.**

On July 19, 2019, Mr. Gappelberg acquired \$657,000 worth of Debentures of the Issuer and 1,095,000 Warrants of the Issuer. The Debentures are convertible by the Issuer into up to 1,095,000 common shares of the Issuer as noted above. This acquisition has resulted in Mr. Gappelberg acquiring securities convertible into more than 2% of the outstanding common shares of the Issuer and triggered the requirement to file this report.

Immediately prior to the foregoing transaction, Mr. Gappelberg owned and/or had control or direction over 6,625,000 common shares of the Company representing approximately 12.3% of the issued and outstanding shares of the Company at such time, on an undiluted basis, of which 3,850,000 shares were owned directly and 2,775,000 shares were owned through Atlas Capital Advisors, LLC, a private company wholly owned by Mr. Gappelberg. In addition, Mr. Gappelberg owned 60,000 stock options and 175,000 share purchase warrants. If Mr. Gappelberg were to have exercised all of his stock options and warrants, he would have then owned and/or had control over 6,860,000 common shares of the Issuer, representing approximately 12.6% of the common shares of the Issuer on a partially diluted basis, assuming no assuming no further common shares of the Issuer have been issued.

As a result of the foregoing transaction, Mr. Gappelberg now owns and/or has control or direction over 6,625,000 common shares of the Issuer representing approximately 12.2% of the total issued and outstanding common shares of the Issuer on an undiluted basis. This represents an approximate 0.1% change in Mr. Gappelberg's ownership of common shares of the Issuer on an undiluted basis. In addition, Mr. Gappelberg owns and/or has control over 60,000 stock options to purchase common shares of the Issuer, 1,270,000 share purchase warrants of the Issuer and \$657,000 worth of Debentures. If Mr. Gappelberg were to exercise all of his stock options and warrants, and the Issuer were to convert all of the Debentures, he would then own and/or have control over 9,050,000 common shares of the Issuer, which would represent approximately 15.96% of the issued and outstanding common shares of the Issuer on a partially diluted basis, assuming no further common shares of the Issuer have been issued. This represents a 3.36% change in Mr. Gappelberg's ownership of common shares of the Issuer on a partially diluted basis if Mr. Gappelberg were to exercise all of his stock options and warrants, and the Issuer were to convert all of the Debentures.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

Mr. Gappelberg acquired ownership of the securities that triggered the requirement to file this report. See Item 2.2.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Immediately prior to the foregoing transaction, Mr. Gappelberg owned and/or had control or direction over 6,625,000 common shares of the Company representing approximately 12.3% of the issued and outstanding shares of the Company at such time, on an undiluted basis, of which 3,850,000 shares were owned directly and 2,775,000 shares were owned through Atlas Capital Advisors, LLC, a private company wholly owned by Mr. Gappelberg. In addition, Mr. Gappelberg owned 60,000 stock options and 175,000 share purchase warrants. If Mr. Gappelberg were to have exercised all of his stock options and warrants, he would have then owned and/or had control over 6,860,000 common shares of the Issuer, representing approximately 12.6% of the common shares of the Issuer on a partially diluted basis, assuming no assuming no further common shares of the Issuer have been issued.

As a result of the foregoing transaction, Mr. Gappelberg now owns and/or has control or direction over 6,625,000 common shares of the Issuer representing approximately 12.2% of the total issued and outstanding common shares of the Issuer on an undiluted basis. This represents an approximate 0.1%

change in Mr. Gappelberg's ownership of common shares of the Issuer on an undiluted basis. In addition, Mr. Gappelberg owns and/or has control over 60,000 stock options to purchase common shares of the Issuer, 1,270,000 share purchase warrants of the Issuer and \$657,000 worth of Debentures. If Mr. Gappelberg were to exercise all of his stock options and warrants, and the Issuer were to convert all of the Debentures, he would then own and/or have control over 9,050,000 common shares of the Issuer, which would represent approximately 15.96% of the issued and outstanding common shares of the Issuer on a partially diluted basis, assuming no further common shares of the Issuer have been issued. This represents a 3.36% change in Mr. Gappelberg's ownership of common shares of the Issuer on a partially diluted basis if Mr. Gappelberg were to exercise all of his stock options and warrants, and the Issuer were to convert all of the Debentures.

- 3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**
- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**
  - (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**
  - (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

All securities referred to in Item 3.4 are owned and/or controlled, directly or indirectly, by Mr. Gappelberg. As a result of the foregoing transaction, Mr. Gappelberg now owns and/or has control or direction over 6,625,000 common shares of the Issuer representing approximately 12.2% of the total issued and outstanding common shares of the Issuer on an undiluted basis. In addition, Mr. Gappelberg owns and/or has control over 60,000 stock options to purchase common shares of the Issuer, 1,270,000 share purchase warrants of the Issuer and \$657,000 worth of Debentures. If Mr. Gappelberg were to exercise all of his stock options and warrants, and the Issuer were to convert all of the Debentures, he would then own and/or have control over 9,050,000 common shares of the Issuer, which would represent approximately 15.96% of the issued and outstanding common shares of the Issuer on a partially diluted basis, assuming no further common shares of the Issuer have been issued.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Mr. Gappelberg paid \$657,000 for the Debentures and was also issued the Warrants.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Mr. Gappelberg paid \$657,000 for the Debentures and was also issued the Warrants.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

Mr. Gappelberg acquired the securities referred to in Item 2.2 for investment purposes. Mr. Gappelberg may, depending on market and other conditions, increase or decrease his beneficial ownership of the Issuer's securities, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

#### **Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

#### **Item 8 – Exemption**


**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

#### **Item 9 – Certification**

**I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.**

July 23, 2019 \_\_\_\_\_

Date  \_\_\_\_\_

Signature

CEO and Director \_\_\_\_\_

Name/Title