

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. NAME AND ADDRESS OF COMPANY

NEXTECH AR SOLUTIONS CORP. (the “Company” or “NexTech”)
349 Carlaw Avenue, Suite 304
Toronto, ON M4M 2T1

2. DATE OF MATERIAL CHANGE

August 19, 2019

3. NEWS RELEASE

News release dated August 19, 2019 was disseminated through the facilities of Cision.

4. SUMMARY OF MATERIAL CHANGE

NexTech announced that it has closed the first tranche of the private placement (the “Offering”) for gross proceeds totaling \$1,161,780.00 comprised of 1,936,299 units (the “Units”) at a price of \$0.60 per Unit.

5. FULL DESCRIPTION OF MATERIAL CHANGE

See attached news release.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”):

(a) a description of the transaction and its material terms:

The Company entered subscription agreements with subscribers for an aggregate of 1,936,299 Units of the Company at a price of \$0.60 per Unit. Each Unit consists of one common share and one-half share purchase warrants (the “Warrants”), each whole Warrant entitling the holder to purchase one additional common share at an exercise price of \$0.70 per share. 277,916 of these Units were sold and issued to related parties.

(b) the purpose and business reasons for the transaction:

The Company completed the Offering to raise funds to hire additional sales people, pursue M&A opportunities and for general working capital purposes. See attached news release for additional details

(c) the anticipated effect of the transaction on the issuer's business and affairs,

The Offering allows the Company to execute on its growth through acquisition strategy. See attached news release for additional information.

(d) a description of:

- (i) **the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties, and**

Mr. Paul Duffy director and President of NexTech purchased 118,750 common shares and 59,375 warrants (collectively the “**Duffy Units**”) of NexTech.

Mr. Evan Gappelberg director and Chief Executive Officer of NexTech purchased 109,166 common shares and 54,583 warrants (collectively the “**Gappelberg Units**”) of NexTech.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage,**

As a result of the issuance of the Duffy Units to Mr. Paul Duffy, Mr. Duffy has ownership and control, directly, of 3,530,416 common shares in the capital of NexTech, representing approximately 6.2% of the issued and outstanding common shares of NexTech on a non-diluted basis and 250,208 convertible securities of NexTech, representing approximately 0.41% on a fully diluted basis.

As a result of the issuance of the Gappelberg Units to Mr. Evan Gappelberg, Mr. Gappelberg has ownership and control, directly, of 6,734,166 common shares in the capital of NexTech, representing approximately 11.9% of the issued and outstanding common shares of NexTech on a non-diluted basis and 1,384,583 convertible securities of NexTech, representing approximately 2.3% on a fully diluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors of the Company authorized the Offering on August 15, 2019. Mr. Evan Gappelberg and Paul Duffy declared their interests and abstained from consenting to the resolutions approving and the issuance of the Gappelberg Units and Duffy Units, respectively.

- (f) **a summary, in accordance with section 6.5, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the**

material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

See item (a).

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, and the facts supporting reliance on the exemptions:

The transaction constitutes a “related party transaction” for purposes of MI 61-101. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on sections 5.5(a) of MI 61-101 as the fair market value of the transaction is not more than the 25% of the Company’s market capitalization, Additionally, the Company is exempt from minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(a) as the fair market value of each transaction is not more than the 25% of the Company’s market capitalization.

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

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. EXECUTIVE OFFICER

Evan Gappelberg, President and CEO

Tel: 631-655-6733

9. **DATE OF REPORT**

August 28, 2019

NexTech AR Solutions Corp.
349 Carlaw Ave Suite 304
Toronto, ON M4M 2T1

NexTech Raises \$1,161,780
Insiders Purchase 277,916 Shares

New York, NY - Toronto, ON – August 19, 2019 – NexTech AR Solutions Corp. (the “**Company**” or “**NexTech**”) (OTC: NEXCF) (CSE: NTAR) (FSE:N29) a rapidly growing Augmented Reality (“AR”) technology company targeting three multi-billion-dollar verticals in the AR industry, is pleased to announce the closing of its private placement financing (the “**Offering**”) for gross proceeds totaling \$1,161,780.00 comprised of 1,936,299 units (the “**Units**”) at a price of \$0.60 per Unit. The net proceeds of the Offering will be used for, including, but not limited to, hiring additional sales professionals and continuing to accelerate development of its ARitize™ Hollywood Studios.

NexTech CEO Evan Gappelberg and President Paul Duffy subscribed to this offering for an aggregate of 277,916 Units totaling of \$136,750.00.

The company previously announced on July 19, 2019 that it closed a \$1,589,500 management led round where NexTech CEO Evan Gappelberg Invested \$867,000. After today’s closing the total capital raised by the company in the past 30 days is \$2,751,280, with over \$1,000,000 coming from management. The company is now fully funded as it prepares for hypergrowth.

“I am very pleased to be able to raise these additional funds as it allows NexTech to continue hiring additional talented, experienced and dedicated team members which will support us through this next phase of rapid growth. Over the past 18 months we have built a powerful and broad array of AR capabilities which are all embedded in our omni-channel ARitize™ platform; including 3D product capture, 3D ads for Facebook and Google, ‘Try-it-On’ technology for online apparel, 3D and 360-degree product views, and ‘one click buy’. With this additional capital NexTech will be uniquely positioned to leverage our ARitize™ platform into retail, training and entertainment which will propel our rapid growth into 2020 and beyond.” comments Evan Gappelberg, CEO of NexTech.

Financing Terms:

Each Unit consists of one common share (the "**Shares**") and one-half of one share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder to purchase one additional Share at a price of \$0.75 for a period of two years from the date of issue of the Warrants. The Warrants may be accelerated by the Company under certain terms if the daily volume weighted average trading price of the common shares of the Company exceeds \$0.90 for 10 consecutive trading days.

NexTech issued Paul Duffy, President and Director, 125,000 options of the Company that vest over three years at an exercise price of \$0.75 CDN.

Financial Advisory Agreement:

The Company has also entered into a six (6) month financial advisory agreement with Mackie Research Capital Corporation ("Mackie"), to provide a number of services, including, but not limited to, capital markets advisory, financial and operational analysis, and recommendations on strategic growth objectives. As consideration for the services, the Company will pay to Mackie a cash fee and issue to Mackie a total of 76,913 common shares. The shares will be subject to a four month hold period.

The Issuer may pay finder fees of 7% in cash and 7% in finder's warrants, on all or part of the Offering. The finder's warrants will be exercisable at a price of \$0.75 per share for a period of 24 months from closing of the Offering, subject to acceleration provisions.

About NexTech AR Solutions Corp.

NexTech, the first publicly traded "pure-play" AR company, began trading on the CSE on October 31st, 2018. NexTech has a two-pronged strategy for rapid growth including growth through acquisitions and growth of its omni-channel AR SaaS platform called ARitize™. NexTech has an exclusive license to a portfolio of patents #7,054,831, #7,266,509 and patent-pending applications #15351508, #62457136, #62559487, related to interactive gaming, interactive advertising, and augmented reality ("AR") technology.

The company is pursuing three multi billion dollar verticals in AR.

ARitize™ For eCommerce; The company launched its technologically advanced webAR for eCommerce early in 2019 and has been rapidly signing up customers

onto its SaaS platform, including notable customers, Walther Arms, Wright Brothers, Mr. Steak, and Budweiser. NexTech has the first ‘full funnel’ end-to-end eCommerce solution for the AR industry including its 3D product capture, 3D ads for Facebook and Google, ‘Try it On’ technology for online apparel, 3D and 360-degree product views, and ‘one click buy.

Aritize™ University; having launched in June 2019, the app-based solution allows companies and educational establishments to leverage all of their existing 2D assets - YouTube videos, PDF documents, PowerPoint decks, images, etc. - and then overlay immersive 3D-AR experiences alongside that content for an interactive training experience that drives productivity.

ARitize™ Hollywood Studios; Expected to launch in Q4 2019, the studio has created a proprietary entertainment venue for which it is producing immersive content using augmented reality as the primary display platform. Heading up AR Studios is Paul Duffy, inventor of the human hologram and President of NexTech AR Solutions. Advising the AR Studio team is Barry Sandrew, Ph.D., a visual effects pioneer and serial entrepreneur who invented digital colorization of black and white movies, as well as a process for converting 2D feature films to 3D. The NexTech engineering teams in Dallas and Austin are building out the software that will drive both AR content creation and its distribution.

To learn more, please follow us on [Twitter](#), [YouTube](#), [Instagram](#), [LinkedIn](#), and [Facebook](#), or visit our website: <https://www.nextechar.com>.

As insiders of NexTech participated in this Offering, it is deemed to be a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61- 101”). NexTech is relying on the exemptions from the formal valuation and minority approval requirements contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that the fair market value of the transaction does not exceed 25% of NexTech’s market capitalization. The Company will be filing a material change report in respect of the related party transaction on SEDAR less than 21 days prior to the closing of the transaction due to the fact that the Company wished to close the transaction as soon as practicable to enable it to use the funds for short-term cash requirements. The Company plans to use the net proceeds of the offering to hire additional sales people, pursue M&A opportunities, and for general working capital purposes.

All securities issued are subject to a four-month hold period from the date of issuance. The securities offered have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

On behalf of the Board of NexTech AR Solutions Corp.

“Evan Gappelberg”

CEO and Director

For further information, please contact:

Evan Gappelberg
Chief Executive Officer
info@nextechar.com