

This Offering Document (the “Offering Document”), constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. This Offering Document is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities.

These securities have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This Offering Document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

Offering Document under the Listed Issuer Financing Exemption

October 30, 2023

**Forward Water Technologies Corp.
("FWTC", the "Company" or the "issuer")**

PART 1 SUMMARY OF OFFERING

What are we offering?

| | |
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| Offering: | <p>The offering is being made pursuant to an engagement agreement entered into by the Company and Leede Jones Gable Inc., as lead agent and sole bookrunner (the “Lead Agent”). The Lead Agent may also form a syndicate of agents to be agreed to by the Company (collectively with the Lead Agent, the “Agents”). The Agents have agreed to offer a minimum of 20,000,000 LIFE Units and Concurrent Units (as defined below) and a maximum of 40,000,000 LIFE Units and Concurrent Units with a maximum of 26,525,774 LIFE Units of the Company (the “LIFE Units”), on a commercially reasonable efforts agency basis, by way of private placement in each of the Provinces of Canada, other than Quebec (the “Qualifying Jurisdictions”) (the “Offering”).</p> <p>Each LIFE Unit will consist of one common share of the Company (“Common Share”) and one Common Share purchase warrant of the Company (a “LIFE Warrant”). Each LIFE Warrant will entitle the holder thereof to acquire one Common Share (a “LIFE Warrant Share”) at an exercise price of \$0.075 per LIFE Warrant Share for a period of 36 months following the Closing Date (as defined below). The LIFE Units will not be subject to resale restrictions pursuant to applicable Canadian securities laws.</p> |
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| | Each holder of Common Shares is entitled to receive notice of and to attend any meetings of FWTC's shareholders and is entitled to one vote for each Common Share held at such time. Each holder of Common Shares is entitled to receive dividends, if any, as and when declared by FWTC's board of directors and participate equally in any distribution of net assets. The Company is entitled to designate a list of purchasers (the " President's List ") under the Offering and the Concurrent Offering (as defined below) for gross proceeds of an amount to be mutually agreed upon by the Company and the Agents. |
| Offering Price: | \$0.05 per LIFE Unit |
| Offering Amount: | Minimum of 20,000,000 LIFE Units and Concurrent Units (as defined below), collectively, and a maximum of 40,000,000 LIFE Units and Concurrent Units with a maximum of 26,525,774 LIFE Units. The minimum gross proceeds of the Offering and Concurrent Offering is \$1,000,000 and the maximum gross proceeds of the Offering and Concurrent Offering is \$2,000,000. |
| Closing Date: | The Offering is expected to close on or about November 27, 2023, or such earlier or later date as may be agreed upon by the Company and the Agent (the " Closing Date "). |
| Exchange: | The Common Shares are listed on the TSX Venture Exchange (the " TSXV ") under the trading symbol FWTC. |
| Last Closing Price: | The last closing price of the Common Shares on the TSXV on October 27, 2023, was \$0.04. |

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

FWTC is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this Offering, the issuer represents the following is true:

- **The issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **The issuer has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000.**
- **The issuer will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12**

months following the distribution.

- **The issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This offering document contains “forward-looking information” within the meaning of applicable Canadian securities laws, which is based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. The forward-looking information included in this offering document are made only as of the date of this offering document. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning future operations; the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering and Concurrent Offering; the gross proceeds to be raised pursuant to the Offering and Concurrent Offering; and completion of the Offering and the Concurrent Offering and the date thereof. Forward-looking statements or forward-looking information relate to future events and future performance and include statements regarding the expectations and beliefs of management based on information currently available to the Company. Such forward-looking statements and forward-looking information often, but not always, can be identified by the use of words such as “plans”, “expects”, “potential”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements or forward-looking information are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements or forward-looking information, including, without limitation, risks and uncertainties relating to: general business and economic conditions; regulatory approval; completion of the Offering and/or Concurrent Offering; risks and uncertainties related to the ability to obtain or maintain necessary licenses, permits or intellectual property rights; the ability to procure equipment and supplies in sufficient quantities and on a timely basis; the availability of qualified employees and contractors; market competition; future results not being consistent with the Company’s expectations; termination of customer or distributor contracts; changes in regulation; and other risks of the industry in which the Company operates. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on the Company and the risks and challenges of its business, investors should review the Company’s annual filings that are available at www.sedarplus.ca. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The Company provides no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-

looking statements and forward-looking information. Any forward- looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

CURRENCY

Unless otherwise indicated, all references to “\$”, “C\$” or “dollars” in this Offering Document refer to Canadian dollars, which is the Company’s functional currency.

PART 2 SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Forward Water Technologies Corp. is a publicly traded Canadian company dedicated to saving the earth's water supply using its patented Forward Osmosis technology. The Company was founded by GreenCentre Canada, a leading technology innovation centre supported by the Government of Canada. The Company's technology allows for the reduction of challenging waste streams simultaneously returning fresh water for re-use or surface release. The Company's mandate is to focus on the large-scale implementation of its technology in multiple sectors, including industrial wastewater, oil and gas, mining, agriculture and ultimately municipal water supply and re-use market sectors. In addition, the Company has initiated early stage R&D for the treatment of food and beverage process streams.

Recent developments

On July 25, 2023 the Company announced that it had signed a Heads of Agreement with a leading developer of battery grade lithium sourced from aquifers using direct lithium extraction (DLE) technology. The Heads of Agreement outlines the key terms and conditions of the proposed transaction between FWTC and the lithium developer and forms the framework needed to complete the definitive agreement. The Heads of Agreement sets out the specific commercial terms that aim to achieve mutual growth and success in the sustainable aquifer-based lithium sector. The proposed lease-to-own model presents a solution designed to address water reusability, foster long-term sustainability and value for all stakeholders.

On September 6, 2023 the Company announced that it has entered into a non-binding Letter of Intent (LOI) with Aalborg CSP ("Aalborg CSP"), a premier developer of solar thermal collectors designed to facilitate heat generation without the reliance on conventional fuel combustion. The LOI, signed on August 31, 2023 outlines the terms and conditions under which FWTC and Aalborg CSP intend to pursue a relationship that will enable FWTC to access Aalborg CSP's flat panel and parabolic solar thermal solution offerings for integration into FWTC's proprietary Forward Osmosis technology systems, specific to Direct Lithium Extraction (DLE) applications and where the use of solar thermal integration provides beneficial use to the client. The parties have agreed to work diligently and in good faith to negotiate and finalize a definitive agreement to effectuate the proposed relationship. Both FWTC and Aalborg CSP would like to create a mutually beneficial relationship that enables the rapid commercialization of FWTC's industrial Solar-FO™ process offering integrated with Aalborg CSP's solar thermal offerings (flat panel and/or parabolic) in meeting client needs. This proposed relationship is not a license to either party's proprietary intellectual property but a cooperative relationship between both companies in working together on DLE client opportunities, where integration and use of Aalborg CSP's solar thermal solution offering provides value and

benefit to FWTC's customers.

On October 20, 2023, the Company announced the closing of a non-brokered private placement of units ("PP Units") which raised total gross proceeds of \$462,000. Each PP Unit was sold at a price of \$0.05 and was comprised of one Common Share and one Common Share purchase warrant entitling the holder to acquire one Common Share at any time on or before October 20, 2026 at a price of \$0.075.

Concurrent Offering

In addition to the LIFE Units offered in connection with the Offering, the Company may also offer up to 40,000,000 units of the Company ("Concurrent Units") at a price of \$0.05 per Concurrent Unit by way of private placement (i) in the Qualifying Jurisdictions pursuant to the "accredited investor" exemption from the prospectus requirements in accordance with National Instrument 45-106 – Prospectus Exemptions; and (ii) outside of Canada pursuant to applicable exemptions from prospectus and registration requirements (or equivalents thereof), for aggregate gross proceeds to the Company of up to \$2,000,000 (the "Concurrent Offering"). In no case will the aggregate amount raised be more than \$2,000,000 under the Offering and Concurrent Offering with no more than \$1,326,288.70 being raised through the sale of LIFE Units under the Offering. Each Concurrent Unit will be comprised of one Common Share and one Common Share purchase warrant (a "Warrant"). The Warrants will be non-transferrable and entitle the holder thereof to acquire one Common Share (a "Warrant Share") at an exercise price of \$0.075 per Warrant Share for a period of 36 months following the Closing Date. Depending on the jurisdiction of the purchaser, the Concurrent Units may be subject to a statutory hold period of four months in accordance with applicable securities laws.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The following table sets out: (i) the business objectives the Company expects to accomplish using its available funds following the Offering and Concurrent Offering (assuming the minimum of \$1,000,000 is raised); (ii) the significant event(s) that must occur for each business objective to be accomplished; and (iii) the anticipated time period for completion and estimated cost for each such event.

| Business objectives | Significant event(s) to accomplish | Time period to complete | Estimated costs |
|---|--|---|-----------------|
| Project engineering to support the commercialization of the Forward Osmosis process | Finalize commercial demonstration unit including FAT (Factory acceptance testing). Equipment in "ready to ship" mode | 2 months. Anticipated completion by January 2024. | \$150,000 |

| | | | |
|---|---|-------------|-----------|
| Develop a direct lithium extractor (DLE) customer | Build out plan with high potential customer. Develop other customers with further testing | Q2/Q3, 2024 | \$700,000 |
|---|---|-------------|-----------|

PART 3 USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the offering?

The expected availability of funds is set forth below.

| | | Assuming minimum Offering and Concurrent Offering Only | Assuming 100% of Offering and Concurrent Offering |
|-----------|---|--|---|
| A. | Amount to be raised by this offering | \$1,000,000 | \$2,000,000 |
| B. | Selling commissions and fees ¹ | \$100,000 | \$200,000 |
| C. | Estimated offering costs (e.g., legal, accounting, audit) | \$80,000 | \$80,000 |
| D. | Net proceeds of offering: $D = A - (B+C)$ | \$820,000 | \$1,720,000 |
| E. | Working capital as at most recent month end | \$(323,000) | \$(323,000) |
| F. | Additional sources of funding ² | \$462,000 | \$462,000 |
| G. | Total available funds: $G = D+E+F$ | \$959,000 | \$1,859,000 |

Notes:

1. Assumes that a 10% commission is paid on all securities sold under the Offering and Concurrent Offering. We note that a reduced commission of 5% will be payable on securities sold to purchasers on the president's list.

2. Represents the proceeds from the non-brokered private placement that closed on October 20, 2023.

How will we use the available funds?

The Company intends to use the net proceeds from this Offering and Concurrent Offering for commercialization activities and for general corporate and working capital purposes:

| Description of intended use of available funds listed in order of priority | Assuming minimum Offering and Concurrent Offering Only | Assuming 100% of Offering and Concurrent Offering |
|--|--|---|
| Sales and Marketing | \$200,000 | \$250,000 |
| General and administrative expenses | \$759,000 | \$1,009,000 |
| Research and development | - | \$300,000 ¹ |
| Unallocated working capital | - | \$300,000 |
| Total | \$959,000 | \$1,859,000 |

Notes:

1. Research and development into the potential food and beverage process streams.

The above noted allocation represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from this Offering and the Concurrent Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan and financing objectives. The Company has had negative cash flow from operating activities and reported a net loss and comprehensive loss of \$2,286,526 for the year ended March 31, 2023. The Company anticipates that negative operating cash flows will continue until Q4, 2024, and to the extent that the Company has negative cash flows from operating activities in future periods, the net proceeds from this Offering may be used to fund such negative cash flow from operating activities in future periods.

The Company's most recent audited and interim financial statements included a going concern note. As the Company is in the product commercialization stage, the Company's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent upon the continued support from its shareholders, and on its ability to achieve and maintain profitable operations in the future. The Company's ability to establish profitable operations in the future is dependent upon securing additional funding and financing arrangements. There can be no assurance that such events will occur. The Offering is intended to permit the Company to continue to its commercialization activities and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

How have we used the other funds we have raised in the past 12 months?

The Company has not raised any funds in the past 12 months other than the \$462,000 from the closing of the offering of PP Units on October 20, 2023 (See "Recent Developments").

| Previous Financings | Intended Use of Funds | Use of Funds to Date | Variance and Impact on Business Objectives and Milestones |
|--|---|--|---|
| <p><u>October 20, 2023:</u> Private placement of 9,240,000 PP Units of the Company at a price of \$0.05 per PP Unit. Each unit is comprised of one Common Share and one Common Share purchase warrant for aggregate gross proceeds of \$462,000.</p> | <p>The net proceeds of the offering are to be used for commercialization of the Company's products and for general working capital.</p> | <p>The funds have not yet been fully deployed. To date the funds have been applied to working capital, satisfaction of outstanding payables and proceeding with the commercialization of its products.</p> | <p>The Company is using the proceeds in the manner anticipated.</p> |

PART 4 FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

| | |
|-------------------------------|---|
| Agent: | Leede Jones Gable Inc. |
| Cash Commission: | Cash commission equal to 10% of the gross proceeds of the Offering other than the sale of securities to purchasers on the president's list for which the cash commission is 5%. |
| Broker Warrants: | The Company will grant the Agent options to purchase a number of units (" Broker Units ") equal to 10% of the number of LIFE Units sold pursuant to the Offering at an exercise price of \$0.05 per Broker Unit to be exercised within 36 months following the Closing Date. Each Broker Unit will be comprised of one Common Share and one Common Share purchase warrant. Each Common Share purchase warrant will be exercisable to acquire one Common Share at an exercise price of \$0.075 for a period of 36 months following the Closing Date. The number of Broker Units issuable on the exercise of the options issued to the Agent will be reduced to 5% of the number of LIFE Units sold to purchasers on the president's list. |
| Corporate Finance Fee: | Corporate finance fee of \$42,000 (plus HST). |

Does the Agent have a conflict of interest?

To the knowledge of the Company, it is not a “related issuer” or “connected issuer” of or to the Agent, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

PART 5 PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with FWTC, or**
- (b) to damages against FWTC and may, in certain jurisdictions, have a statutory right to damages from other persons.**

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

The rights provided for under the Listed Issuer Financing Exemption are for the benefit of all purchasers.

PART 6 ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access FWTC's continuous disclosure filings on SEDAR at www.sedarplus.ca under FWTC's profile. For further information regarding FWTC, visit our website at: www.forwardwater.com. Unless otherwise noted, all currency amounts are expressed in Canadian dollars.

Investors should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of Units.

PART 7 DATE AND CERTIFICATE

This offering document, together with any document filed under Canadian securities legislation on or after October 30, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

October 30, 2023

By: (signed) "Howie Honeyman"

Name: Howie Honeyman

Title: Chief Executive Officer and President

By: (signed) "Michael Willetts"

Name: Michael Willetts

Title: Chief Financial Officer