

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Forward Water Technologies Corp.
1086 Modeland Road
Sarnia, Ontario N7S 6L2

Item 2. Date of Material Change

September 30, 2024

Item 3. News Releases

A press release in the form of Schedule "A" attached hereto was disseminated on September 30, 2024 via Accesswire news service and subsequently filed on the System for Electronic Document Analysis and Retrieval+ (www.sedarplus.ca).

Item 4. Summary of Material Change

Forward Water Technologies Corp. ("FWTC") (TSXV:FWTC) and Fraser Mackenzie Accelerator Corp. (the "FMAC") (TSXV: FMAC.P) announced the successful closing of their previously announced business combination (the "**Transaction**"). The combined company will continue to conduct the business operated by FWTC.

Summary of the Transaction

In connection with the Transaction, and following a 10 for 1 consolidation of the common shares of FWTC ("**FWTC Shares**"), a wholly-owned subsidiary of FWTC amalgamated with FMAC and all of the issued and outstanding common shares of FMAC ("**FMAC Shares**") were exchanged for post-consolidation FWTC Shares at an exchange ratio of 0.95 FWTC Shares for each FMAC Share (the "**Exchange Ratio**"). In addition, each outstanding option and warrant to purchase an FMAC Share was adjusted to entitle the holders thereof to purchase FWTC Shares based on the Exchange Ratio.

Concurrent Financing

Prior to the closing of the Transaction, FMAC raised gross proceeds of \$1,699,999.95 through the issuance of 15,887,850 subscription receipts at a price of \$0.107 per subscription receipt (the "**Subscription Receipts**"). Prior to the completion of the Transaction each subscription receipt was converted, without payment of additional consideration, into one unit of FMAC (each, a "**Unit**"). Each Unit consisted of one FMAC Share, and one-half of an FMAC common share purchase warrant (each such whole warrant, a "**Warrant**"). The FMAC Shares and Warrants issued on conversion of the subscription receipts were exchanged for FWTC Shares and warrants of FWTC, respectively, in accordance with the Exchange Ratio. Each such Warrant now entitles the holder thereof to acquire one FWTC Share for a term expiring on the third anniversary of the closing of the Transaction at a purchase price of \$0.1579 per FWTC Share. At the closing of the Transaction, FMAC will pay to certain finders (each, a "**Finder**") aggregate fees of \$96,325.79, being fees not exceeding 8.0% of the gross proceeds raised from

subscriptions in the offering from persons who participated in the offering that were introduced to FMAC by such Finder (the “**Finder’s Fee**”), and (b) an aggregate of 872,204 compensation warrants (the “**Finder Warrants**”) issued by FMAC, being an amount of not more than 8.0% of the total number of Subscription Receipts issued to persons who participated in the offering that were introduced to FMAC by such Finder. Each Finder Warrant entitled the holder to subscribe for one Unit at a price of \$0.107 at any time on or before September 30, 2026. On closing of the Transaction the Finder Warrants were exchanged for finder warrants of FWTC with the number of warrants and exercise price being adjusted by the Exchange Ratio.

FWTC Capitalization

49,174,592 FWTC Shares are issued and outstanding as at the date hereof after giving effect to the Transaction, including the completion of the conversion of the Subscription Receipts. The effective issue price of the FWTC Shares for the purposes of the Transaction, based on the Issue Price of the subscription receipts adjusted by the Exchange Ratio, is \$0.1126. The 49,174,592 FWTC Shares that are issued and outstanding as at the date hereof after giving effect to the Transaction consist of the following: (i) 19,542,448 FWTC Shares issued to holders of common shares of FMAC (excluding FWTC Shares issued to the former holders of Subscription Receipts), (ii) 2,744,575 FWTC Shares issued as a result of the conversion of \$300,000 principal amount of FWTC debentures and accrued interest of \$31,384 owing to GreenCetnre Canada (at the conversion price of \$0.1126 per post-consolidation FWTC Share), (iii) 15,093,459 FWTC Shares issued to the former holders of Subscription Receipts and (iv) 11,794,110 FWTC Shares held by shareholders of FWTC prior to completion of the Transaction.

In addition, 4,917,459 FWTC Shares have been reserved for issuance under the terms of the FWTC option plan of which 2,118,612 options are outstanding (both FWTC options and FMAC options), 10,591,756 FWTC Share purchase warrants are outstanding and 2,335,934 broker warrants are outstanding.

3,562,500 FWTC Shares and 356,250 options owned or controlled by former “Principals” of FMAC (as defined under Exchange policies) are subject escrow under the policies of the Exchange to be released over periods of 18 months (with the foregoing figures reflecting the first release of 25% on the issuance of the final Exchange bulletin in respect of the transaction).

Early Warning Disclosure Pursuant to National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues

Upon the completion of the Transaction, Sumarria Inc. (“**Sumarria**”), a private investment management company with its head office located at 22 St Clair Ave E, Suite 2001, Toronto, ON M4T 2S5, became the holder of: (a) 1,776,199 FWTC Shares as a result of the automatic conversion of \$200,000 principal amount of convertible debentures of FWTC (the “**Debentures**”); (b) 7,102,804 FWTC Shares as a result of the exchange of securities of FMAC held immediately prior to the Transaction; and (c) 3,551,402 warrants to purchase FWTC Shares (the “**FWTC Warrants**”) as a result of the exchange of securities of FMAC held immediately prior to the Transaction.

Upon completion of the Transaction, Sumarria has ownership and control over an aggregate of 8,879,003 FWTC Shares representing approximately 18.06% of the issued and outstanding FWTC Shares. Assuming exercise of all of 5,327,601 FWTC Warrants held by Sumarria (inclusive of the 1,776,199 FWTC Warrants held prior to the Transaction), Sumarria would have ownership and control over approximately 26.07% of the issued and outstanding FWTC Shares.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See Schedule "A" attached.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No significant facts have been omitted from this report.

Item 8. Executive Officer

C. Howie Honeyman, Chief Executive Officer
Email: howie.honeyman@forwardwater.com
Telephone: (519) 333-5888

Item 9. Date of Report

This report is dated this 2nd day of October, 2024.

SCHEDULE "A"



Forward Water Technologies Corp. and Fraser Mackenzie Accelerator Corp. announce Closing of Business Combination

Not for distribution to U.S. news wire services or for dissemination in the United States.

Toronto, Ontario // ACCESSWIRE // September 30, 2024 – Forward Water Technologies Corp. ("FWTC") (TSXV:FWTC) and Fraser Mackenzie Accelerator Corp ("FMAC") (TSXV: FMAC.P) are pleased to announce the successful closing of their previously announced business combination (the "Transaction"). The combined company will continue to conduct the business operated by FWTC.

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Concurrent Financing

As previously announced, prior to the closing of the Transaction, FMAC raised gross proceeds of \$1,699,999.95 through the issuance of 15,887,850 subscription receipts at a price of \$0.107 per subscription receipt (the "Subscription Receipts"). Prior to the completion of the Transaction each subscription receipt was converted, without payment of additional consideration, into one unit of FMAC (each, a "Unit"). Each Unit consisted of one FMAC Share, and one-half of an FMAC common share purchase warrant (each such whole warrant, a "Warrant"). The FMAC Shares and Warrants issued on conversion of the subscription receipts were exchanged for FWTC Shares and warrants of FWTC, respectively, in accordance with the Exchange Ratio. Each such Warrant now entitles the holder thereof to acquire one FWTC Share for a term expiring on the third anniversary of the closing of the Transaction at a purchase price of \$0.1579 per FWTC Share. At the closing of the Transaction, FMAC will pay to certain finders (each, a "Finder") aggregate fees of \$96,325.79, being fees not exceeding 8.0% of the gross proceeds raised from subscriptions in the offering from persons who participated in the offering that were introduced to FMAC by such Finder (the "Finder's Fee"), and (b) an aggregate of 872,204 compensation warrants (the "Finder Warrants") issued by FMAC, being an amount of not more than 8.0% of the total number of Subscription Receipts issued to persons who participated in the offering that were introduced to FMAC by such Finder. Each Finder Warrant entitled the holder to subscribe for one Unit at a price of \$0.107 at any time on or before September 30, 2026. On closing of the Transaction the Finder Warrants were exchanged for finder warrants of FWTC with the number of warrants and exercise price being adjusted by the Exchange Ratio.

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Upon completion of the Transaction, Sumarria has ownership and control over an aggregate of 8,879,003 FWTC Shares representing approximately 18.06% of the issued and outstanding FWTC Shares. Assuming exercise of all of 5,327,601 FWTC Warrants held by Sumarria (inclusive of the 1,776,199 FWTC Warrants held prior to the Transaction), Sumarria would have ownership and control over approximately 26.07% of the issued and outstanding FWTC Shares.

Immediately prior to the Transaction, Sumarria was the holder of nil FWTC Shares, \$200,000 principal amount of Debentures and 1,776,199 Warrants. Sumarria paid an aggregate of: (a) \$200,000 for the Debentures (no further consideration was provided at the date of the Transaction); and (b) \$800,000 for the subscription receipts that were ultimately exchanged for 7,102,804 FWTC Shares and 3,551,402 FWTC Warrants.

Sumarria acquired the aforementioned securities for investment purposes. In the future, Sumarria may, depending on market and other conditions, increase or decrease Summaria's beneficial ownership of FWTC Shares.

A copy of the early warning report to be filed in connection with Sumarria's security holdings will be available on the Company's SEDAR+ profile at www.sedarplus.ca or contact FWTC at the phone number or email noted below.

Further Information

For more information concerning the FWTC's business, capitalization and the Transaction (including the members of the management team and board of directors listed above), see FWTC and FMAC's information circulars provided to shareholders in connection with the shareholders meetings of FWTC and FMAC held on September 23, 2024 which are available under each company's profile on SEDAR+ at www.sedarplus.ca.

About Forward Water Technologies Corp.

Forward Water Technologies Corp. (TSX.V: FWTC) 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, DLE, mining, agriculture and ultimately municipal water supply and re-use market sectors.

FWTC has immediate plans to treat brine from the direct lithium extraction (DLE) sector using its mobile pilot equipment this summer in conjunction with its partners. This project will establish FWTC's iFOTM technology as a valuable component in producing lithium carbonate from aquifer sourced brines for use in applications such as electric vehicle (EV) battery production.

In addition, the Company has initiated early-stage R&D for the treatment of food and beverage process streams.

For more information, please visit www.forwardwater.com.

About Fraser Mackenzie Accelerator Corp.

FMAC was a "capital pool company" which completed its initial public offering on February 22, 2023. The Transaction constitutes FMAC's "qualifying transaction" as contemplated by the policies of the TSXV. In connection with the Transaction, the FMAC Shares will cease being listed on the TSXV at the close of business on October 1, 2024.

Contact Information:

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Forward Water Technologies Corp.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Caution Concerning Forward Looking Information

This press release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “will”, “estimates”, “believes”, “intends” “expects” and similar expressions which are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements concerning the plans for FWTC’s business and timing for escrow releases. FWTC and FMAC caution that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of FWTC and FMAC, including expectations and assumptions concerning the FWTC. The reader is cautioned that assumptions used in the preparation of any forward-looking statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of FWTC and FMAC. The reader is cautioned not to place undue reliance on any forward-looking statements. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this press release, and neither FWTC nor FMAC undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.