

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

**ITEM 1 Name and Address of Company:**

Esstra Industries Inc. (the “**Company**”)  
40440 Thunderbird Ridge B1831  
Garibaldi Highlands, BC, V0N 1T0

**ITEM 2 Date of Material Change:**

August 7, 2020.

**ITEM 3 News Release:**

A news release dated August 7, 2020 was distributed and subsequently filed on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

**ITEM 4 Summary of Material Change:**

On August 7, 2020 the Company closed a non-brokered private placement for gross proceeds of \$300,000 through the issuance of 1,500,000 units in the capital of the Company (each a “**Unit**” and together, the “**Units**”) at a subscription price of \$0.20 per Unit.

**ITEM 5 Full Description of Material Change:**

*5.1 – Full Description of Material Change:*

On August 7, 2020 the Company closed a non-brokered private placement (the “**Offering**”) for gross proceeds of \$300,000 through the issuance of 1,500,000 Units at a subscription price of \$0.20 per Unit.

Each Unit was comprised of one (1) common share in the capital of the Company (each a “**Common Share**”) and one-half of one (1/2) transferrable Common Share purchase warrant (each whole warrant, a “**Warrant**”). All securities issued under the Private Placement, including securities issuable on exercise thereof, are subject to a hold period expiring December 8, 2020 (the “**Hold Period**”), in accordance with the rules and policies of the TSX Venture Exchange and applicable Canadian securities laws. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.40 per Common Share until August 7, 2022, subject to accelerated expiry provisions. In the event the closing price of the Company’s Common Shares exceeds \$0.80 per Common Share for a period of ten (10) consecutive trading days following the expiry of the Hold Period, then at the Company’s election, the 24 month period within which the Warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their Warrants for a period of 30 days commencing on the day the Company provides the acceleration notice via press release or written notice to all Warrant holders (the “**Acceleration Period**”). Any outstanding Warrants not exercised during the Acceleration Period will expire on completion of the Acceleration Period.

The Private Placement was effected with 6 insiders of the Company subscribing for \$115,000 or 575,000 Units.

As described in Esstra’s news release dated July 16, 2020, the proceeds of the Private Placement are expected to be used to purchase the equity interest in ExSorbition Inc. and for general working capital

purposes.

The Company also announced that Ms. Leah Hodges has resigned as Corporate Secretary, Ms. Virginia Olnick, CEO and a director of the Company, was appointed to replace Ms. Hodges.

*5.2 – Disclosure for Restructuring Transactions:*

Not applicable.

**ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable.

**ITEM 7 Omitted Information:**

Not Applicable.

**ITEM 8 Executive Officer:**

Further information relating to this Material Change Report may be obtained from:

Virginia Olnick

Telephone: (604) 785-1425

**ITEM 9 Date of Report:**

DATED as of August 7, 2020.

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAWS.**

## **ESSTRA INDUSTRIES INC.**

### **Esstra Industries Announces Closing of \$300,000 Non-Brokered Private Placement**

**Vancouver, British Columbia, August 7, 2020: Esstra Industries Inc. (TSXV: ESS) (“Esstra” or the “Company”)** is pleased to announce that the non-brokered private placement previously announced on July 16, 2020 (the “**Private Placement**”) has closed. Under the Private Placement, the Company issued 1,500,000 units (“**Units**”) at a price of \$0.20 per Unit for gross proceeds of \$300,000. Each Unit was comprised of one (1) common share in the capital of the Company (each a “**Common Share**”) and one-half of one (1/2) transferrable Common Share purchase warrant (each whole warrant, a “**Warrant**”). All securities issued under the Private Placement, including securities issuable on exercise thereof, are subject to a hold period expiring December 8, 2020 (the “**Hold Period**”), in accordance with the rules and policies of the TSX Venture Exchange and applicable Canadian securities laws. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.40 per Common Share until August 7, 2022, subject to accelerated expiry provisions. In the event the closing price of the Company’s Common Shares exceeds \$0.80 per Common Share for a period of ten (10) consecutive trading days following the expiry of the Hold Period, then at the Company’s election, the 24 month period within which the Warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their Warrants for a period of 30 days commencing on the day the Company provides the acceleration notice via press release or written notice to all Warrant holders (the “**Acceleration Period**”). Any outstanding Warrants not exercised during the Acceleration Period will expire on completion of the Acceleration Period.

The Private Placement was effected with 6 insiders of the Company subscribing for \$115,000 or 575,000 Units.

As described in Esstra’s news release dated July 16, 2020, the proceeds of the Private Placement are expected to be used to purchase the equity interest in ExSorbition Inc. and for general working capital purposes.

The Company also announces that Ms. Leah Hodges has resigned as Corporate Secretary, Ms. Virginia Olnick, CEO and a director of the Company, was appointed to replace Ms. Hodges.

**On behalf of the Board of Directors,  
Esstra Industries Inc.**

Virginia Olnick  
CEO, Director

**For further information, please contact the Company at:**

Tel.: 604.377.0403

Email: [lhodges@benchmarkgovernance.com](mailto:lhodges@benchmarkgovernance.com)

### **Reader Advisory**

*This news release contains certain statements that may be deemed “forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not*

*always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors should change, except as required by law.*

*Neither TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this news release.*