

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Issuer:**

Clear Blue Technologies International Inc. (the "Company")
30 Lesmill Road, Unit 7
Toronto, Ontario M3B 2T6
Canada

2. **Date of Material Change:**

September 4, 2020.

3. **News Release:**

The news release was issued and disseminated on May 29, 2020 and subsequently filed on SEDAR.

4. **Summary of Material Change:**

Further to the Company's news release dated May 29, 2020, the Company issued an aggregate of 2,013,161 common shares of the Company (the "Shares") at a deemed price of \$0.169 per Share to certain employees, directors, officers and consultants of the Company to settle aggregate indebtedness of \$340,225 (collectively, the "Shares for Debt Transactions") on September 4, 2020.

5. **5.1 – Full Description of Material Change:**

Certain participants in the Shares for Debt Transactions were directors and officers of the Company (the "Interested Parties"), who were issued an aggregate of 1,762,867 common shares of the Company (the "Shares") at a deemed price of \$0.169 per Share to settle aggregate indebtedness of \$297,925. The participation of the Interested Parties each constituted a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company relied on the exemptions from the valuation and minority approval requirements of MI 61-101 provided for in subsections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as the fair market value of the subject of, and the consideration paid under, the Shares for Debt Transactions, in relation to the Interested Parties, did not represent more than 25% of the Company's market capitalization, as determined in accordance with MI 61-101. The participation by the Interested Parties in the Shares for Debt Transactions was approved by directors of the Company who are independent in connection with such transactions. No special committee was established in connection with the Shares for Debt Transactions, and no materially contrary view or abstention was expressed or made by any director of the Company in relation to the Shares for Debt Transactions. A material change report was not filed more than 21 days before the closing of the Shares for Debt Transactions, but the Company believe that this shorter period is reasonable and necessary given the circumstances, as the Company wished to improve its financial position by reducing its accrued liabilities as soon as possible.

At the annual and special meeting of the shareholders of the Company held on July 28, 2020, the Company obtained disinterested shareholder approval of the Shares for Debt Transactions involving the Interested Parties, in accordance with the requirements of the TSX Venture Exchange (the "TSXV") pursuant to Policy 4.3 – *Shares for Debt* of the TSXV. The Company received final approval of the Shares for Debt Transactions from the TSXV on September 2, 2020.

The Shares issued under the Shares for Debt Transactions to the Interested Parties are subject to a four-month hold period in accordance with policies of the TSXV.

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

Not applicable.

7. **Omitted Information:**

No significant facts remain confidential in, and no information has been omitted from, this report.

8. **Executive Officer:**

For further information, please contact Miriam Tuerk, Chief Executive Officer, at 1-855-733-0119 x200.

9. **Date of Report:**

September 21, 2020.