

**Form 51-102F3  
Material Change Report**

**Item 1. Name and Address of Company**

NXT Energy Solutions Inc. (the "Corporation")  
302, 3320 17<sup>th</sup> Ave S.W.  
Calgary, Alberta  
Canada, T3E 0B4

**Item 2. Date of Material Change**

July 3, 2018

**Item 3. News Release**

A press release dated July 4, 2018 was disseminated through Global Newswire, and subsequently filed on SEDAR. A copy of the press release is attached as Schedule "A" hereto.

**Item 4. Summary of Material Change**

The Corporation announced that it has closed the final portion of its previously announced, three-tranche private placement (the "Private Placement") bringing the final amount raised under the Private Placement to approximately \$9,484,810 through the issuance of an aggregate of 10,264,946 units to Alberta Green Ventures Limited Partnership (the "Subscriber"), slightly below the original target amount. The Subscriber was to purchase 10,905,212 units of the Corporation (the "Units") at a price of \$0.924 per Unit for total gross proceeds of approximately \$10,076,416. Each Unit consists of one common share (a "Common Share") and one-third of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share (a "Warrant Share") at an exercise price of \$1.20 for twelve (12) months from closing of the first tranche of the Private Placement. The first tranche of the Private Placement was completed on February 16, 2018 and the Corporation received approximately \$4,310,500 in connection with the issuance of 4,665,043 Units. A portion of the second tranche was completed on May 15, 2018 and the Corporation received approximately \$2,000,000 in connection with the issuance of 2,164,502 Units. Another portion of the second tranche was completed on June 15, 2018 and the Corporation received approximately \$2,200,000 in connection with the issuance of 2,380,952 Units. The final portion of the second tranche and the third tranche of the Private Placement, completed on July 3, 2018, amounted to the total of \$974,311 or 1,054,449 units. The Subscriber now holds approximately 20.0% of the Corporation's outstanding Common Shares (including the Common Shares to be issued upon exercise of the Warrants).

**Item 5.1 Full Description of Material Change**

On February 16, 2018, the Corporation entered into an agreement to complete the three-tranche Private Placement under which the Subscriber was targeted to purchase 10,905,212 Units at a price of \$0.924 per Unit for total gross proceeds of approximately \$10,076,416. Each Unit consists of one Common Share and one-third of one Warrant. Each Warrant entitles the holder to acquire one Warrant

Share at an exercise price of \$1.20 for twelve (12) months from closing of the first tranche of the Private Placement.

#### First Tranche of Private Placement

The first tranche of the Private Placement was completed on February 16, 2018 and the Corporation has received approximately \$4,310,500 in connection with the issuance of 4,665,043 Units.

#### Second and Third Tranches of Private Placement

A portion of the second tranche was completed on May 15, 2018 and the Corporation received approximately \$2,000,000 in connection with the issuance of 2,164,502 Units. Another portion of the second tranche was completed on June 15, 2018 and the Corporation received approximately \$2,200,000 in connection with the issuance of 2,380,952 Units. The final portion of the second tranche and the third tranche of the Private Placement, completed on July 3, 2018, amounts to a total of \$974,311 or 1,054,449 units. The Subscriber now holds approximately 20.0% of the Corporation's 68,432,746 outstanding Common Shares (including Warrant Shares). The Subscriber requested an extension to July 3, 2018 to close the remaining portion of the second tranche and the third tranche for which the Company and the extension received approval from the Toronto Stock Exchange (the "TSX"). The TSX has approved the listing of the Common Shares issued and the Warrant Shares issuable under the Private Placement, subject to customary conditions including (i) the clearance of personal information forms submitted by certain principals of the Subscriber upon the Subscriber coming to beneficially own, directly or indirectly, 10% of the issued and outstanding Common Shares (including Warrant Shares), and (ii) shareholder approval of the creation of a "Control Person" of the Corporation (as defined under applicable securities laws) as a result of the Private Placement. Both of these conditions have been satisfied.

#### Other Material Agreements

In conjunction with closing the outstanding portion of the second tranche, the Corporation and the Subscriber have entered into an Investor Rights Agreement pursuant to which: (a) the Subscriber will have the right to nominate one director for election to the board of directors of the Corporation (subject to maintaining any equity ownership of at least 10% in the Corporation); (b) the Subscriber will be entitled to participate in future equity or convertible security offerings of the Corporation in order to maintain its pro rata equity interest in the Corporation (subject to maintaining any equity ownership of at least 10% in the Corporation); (c) the Subscriber will be entitled to a similar equity offering participation right in connection with certain new entities that may be created by the Corporation to expand the application of its proprietary technologies; and (d) the Subscriber has agreed to a 18 month standstill from the closing date of the second tranche of the Private Placement and a 12 month restriction on dispositions of 75% of the securities acquired in the Private Placement.

#### **Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer Knowledgeable of Material Change**

Jakub Brogowski  
Telephone: (403) 264 7020

**Item 9. Date of Report**

July 12, 2018

## Schedule "A"



### **NXT ENERGY SOLUTIONS ANNOUNCES FINAL CLOSING OF \$10 MILLION PRIVATE PLACEMENT**

CALGARY, AB, July 4, 2018 – NXT Energy Solutions Inc. ("NXT" or the "Company") (TSX: SFD; OTC QB: NSFDF) is pleased to announce it has closed on a final amount of \$974,311 of its Private Placement announced on February 16, 2018. This brings the total amount raised under the Private Placement to approximately \$9,484,810 through the issuance of an aggregate of 10,264,946 units at \$0.924 per unit, marginally less than the original target of \$10,076,416 and the issuance of 10,905,212 units.

Each unit consists of one Common Share and one-third of one Common Share purchase warrant (each whole warrant, a "Warrant"), and each Warrant entitles the holder to acquire one Common Share at an exercise price of \$1.20 for twelve (12) months from closing of the first tranche of the Private Placement on February 16, 2018.

As a result of this closing Alberta Green Ventures Limited Partnership, (the "Subscriber") owns approximately 20.0% of the Company's 68,432,746 outstanding Common Shares (including the Common Shares to be issued upon exercise of the Warrants) and has become a "Control Person", as such term is defined under applicable securities laws. Shareholders of NXT approved the Subscriber to become a Control Person at the annual and special meeting of shareholders held on June 7, 2018.

In conjunction with the closing on the final amount of the Private Placement, the Company and the Subscriber have entered into an Investor Rights Agreement pursuant to which: (a) the Subscriber will have the right to nominate one director for election to the board of directors of NXT (subject to maintaining any equity ownership of at least 10% in NXT); (b) the Subscriber will be entitled to participate in future equity or convertible security offerings of NXT in order to maintain its pro rata equity interest in NXT (subject to maintaining any equity ownership of at least 10% in NXT); (c) the Subscriber will be entitled to a similar equity offering participation right in connection with certain new entities that may be created by NXT to expand the application of its proprietary technologies; and (d) the Subscriber has agreed to a 18 month standstill from the closing date of this final amount of the Private Placement and a 12 month restriction on dispositions of 75% of the securities acquired in the Private Placement.

## **About NXT Energy Solutions Inc.**

NXT Energy Solutions Inc. is a Calgary-based technology company whose proprietary SFD<sup>®</sup> survey system utilizes quantum-scale sensors to detect gravity field perturbations in an airborne survey method which can be used both onshore and offshore to remotely identify areas with exploration potential for traps and reservoirs. The SFD<sup>®</sup> survey system enables our clients to focus their hydrocarbon exploration decisions concerning land commitments, data acquisition expenditures and prospect prioritization on areas with the greatest potential. SFD<sup>®</sup> is environmentally friendly and unaffected by ground security issues or difficult terrain, and is the registered trademark of NXT Energy Solutions Inc. NXT Energy Solutions Inc. provides its clients with an effective and reliable method to reduce time, costs, and risks related to exploration.

## **Contact Information**

For investor and media inquiries please contact:

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Attention: Corporate Secretary