

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

Edgewater Wireless Systems Inc.
408 Churchill Avenue North
Ottawa, Ontario
K1Z 5C6

2. DATE OF MATERIAL CHANGE

June 10, 2019 and June 24, 2019

3. NEWS RELEASE

News release dated June 26, 2019 was disseminated through the facilities of Newswire.

4. SUMMARY OF MATERIAL CHANGE

Edgewater closes \$1.1M Private Placement

5. FULL DESCRIPTION OF MATERIAL CHANGE

Edgewater Wireless Systems Inc. (the “Company”) announces the closing of its private placement.

The Company issued an aggregate of 11,000,000 units (the “Units”) at a price of \$0.10 per Unit to raise aggregate gross proceeds of \$1,100,000, completing parts one and two of the first tranche. Each Unit consists of one common share of the Company and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company, for a period of 24 months from closing, at an exercise price of \$0.20 per share.

Four members of the board of directors and management participated in the financing for an aggregate of 600,000 Units. The participation of each of these directors is considered to be a related party transaction pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transaction (“MI 61-101”). The Company determined that exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 were available for the related party transaction pursuant to Section 5.5(a) and Section 5.7(1)(a) of MI 61-101 on the basis that the fair market value of the transaction involving related parties was not more than 25% of the Company’s market capitalization.

We anticipate closing the second and final tranche on or before the end of June.

In connection with the funds raised in the first tranche of the private placement, finders’ fees will be paid to PI Financial Corp. which will receive a finder’s fee of \$7,980 in cash and 79,800 broker warrants, Canaccord Genuity Corp. which will receive a finder’s fee of \$4,830 in cash and 48,300 broker warrants, Hobart Capital Markets LLP which will receive a finder’s fee of \$6,020 in cash

and 60,200 broker warrants and Industrial Alliance Securities Inc. which will receive a finder's fee of \$1,470 in cash and 14,700 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.20 per share for a period of 24 months following the date of issuance. Finders' fees will be paid subject to TSX Venture Exchange approval.

The securities issued pursuant to the private placement are subject to statutory four month hold periods ending on October 11, 2019 and October 25, 2019.

It is intended that the maximum proceeds from the Offering will be used for: Operating Expenses, including those relating to expanding the Company's product footprint into the global residential WiFi sector and growing its sales and marketing teams (8%); business development and marketing expenses for systematic prospect outreach and industry visibility (23%); Engineering and Product Development (53%) and Working Capital (25%). The Company may reallocate the proceeds from the Offering as may be required depending upon the development of the Company's business.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. EXECUTIVE OFFICER

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9. DATE OF REPORT

July 3, 2019