Sixth Wave Closes Financing

written by Raj Shah | September 22, 2020

August 20, 2020 (Source) – **Sixth Wave Innovations Inc. (CSE: SIXW) (OTCQB: ATURF) (FSE: AHUH) ("Sixth Wave"** or the **"Company")** is pleased to announce that it has closed a non-brokered private placement (the "**Financing**") of unsecured convertible debentures ("**Convertible Debentures**"). Pursuant to the closing of the Financing, the Company issued 500 Convertible Debentures at a price of $1,000 per debenture for gross proceeds totalling $500,000. Interest on the Convertible Debentures can be paid in either cash or common shares of the Company ("**Common Shares**") (at a deemed price per share equal to the Conversion Price, as such term is hereinafter defined), at the Company's election, at a rate of 7.5% if paid in cash or 10% if paid in Common Shares, payable semi-annually on the last day of June and December of each year, commencing on December 31, 2020. The Convertible Debentures have a three-year term (the "**Term**"), with the principal amount being due to be repaid in full by the Company on August 31, 2023 (the "**Maturity Date**").

In addition to the annual interest of 7.5% or 10% (as applicable), each initial holder of Convertible Debentures received a one-time commitment fee comprised of 150 commitment warrants ("**Commitment Warrants**") per Convertible Debenture. Each Commitment Warrant entitles its holder to acquire one Common Share at an exercise price of $0.55 per Common Share for a period of 24 months.

The Company has the right, at any time during the Term, to repay in full the principal amount and any accrued and unpaid interest on the Convertible Debentures, provided that the Company gives 10 days' notice prior to doing so.

At any time during the Term, a holder of Convertible Debentures

may elect to convert the outstanding net principal amount, or any portion thereof, into units ("**Units**") at a conversion price of $0.35 per Unit (the "**Conversion Price**"). Each Unit shall consist of one Common Share and one warrant ("**Warrant**"), with each Warrant entitling the holder to acquire a Common Share at an exercise price of $0.55 for a period ending on the Maturity Date.

The outstanding principal amount of each Convertible Debenture will automatically be converted into Units at the Conversion Price ($0.35) if the Common Shares trade at a closing price of $0.75 or more on the Canadian Securities Exchange (the "**CSE**") for 10 consecutive trading days. During the third year of the Term, the Company shall have the option to extend the Term by up to one additional year. If extended, then the Company shall pay a cash extension fee to the holders of Convertible Debentures in the amount of six month's interest (at the rate of 7.5% per annum).

The issuance of the Convertible Debentures and the Commitment Warrants was (and, if applicable, the Units and any underlying Common Shares and Warrants shall be) completed on a private placement and prospectus exempt basis, as applicable, such that the issuances are (or in the case of the Units and any underlying Common Shares and Warrants, shall be) exempt from any applicable prospectus and securities registration requirements.

Pursuant to National Instrument 45-102 – *Resale of Securities*, all of the Convertible Debentures and Commitment Warrants issued pursuant to the Financing (and any underlying Units, Common Shares or Warrants to be issued upon conversion or exchange of these securities) are subject to a four-month hold period, expiring on December 21, 2020. Additional hold periods and/or trading or resale restrictions may also apply in the United States. In connection with the closing of the Financing, an

arm's-length finder received 112,000 finder's warrants, with each finder's warrant entitling the holder thereof to acquire one Common Share at a price of $0.35 per share for a period of 36 months from the date hereof.

Pursuant to the Financing, a certain director of the Company subscribed for 10 Convertible Debentures for gross proceeds to the Company of $10,000, which is considered a related party transaction within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Full details of this transaction will be available on the System for Electronic Disclosure by Insiders (SEDI), available at: www.sedi.ca. The Financing is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the Financing, nor the consideration paid, exceed 25% of the Company's market capitalization. No additional insiders or related parties of the Company participated in the Financing or the debt settlement described below. No new insiders or control persons were created in connection with the closing of the Financing.

The Financing was approvedby all of the independent directors of the Company. The number of Common Sharespotentially issuable to insiders of the Company pursuant to the Financing(including any Common Shares issuable upon the conversion of the ConvertibleDebentures into Units, and the exercise of the Commitment Warrants and theWarrants) represents not more than 10% of the Company's currently issued andoutstanding Common Shares on a non-diluted basis.

The Company intends to use the net proceeds of the Financing for the deployment of its Affinity™ cannabis purification units, as well as research into its AMIPs virus detection technology.

The Company further reports that it has settled $60,000 of debt through the issuance of 60 Convertible Debentures with the same terms as the Financing, as described above.

The closing of the Financing and issuance of the Convertible Debentures is conditional on the final acceptance of the CSE. At its discretion, the Company may complete additional tranches of the Financing in the near future. The Company will make further announcements on the closing of any such additional tranches, if applicable.

About Sixth Wave

Sixth Wave is a development stage nanotechnology company with patented technologies that focus on extraction and detection of target substances at the molecular level using highly specialized Accelerated Molecularly Imprinted Polymers (AMIPs). The Company is in the process of commercializing its Affinity™ cannabinoid purification system, as well as, IXOS®, a line of extraction polymers for the gold mining industry.

Sixth Wave can design, develop and commercialize AMIP solutions across a broad spectrum of industries. The company is focused on nanotechnology architectures that are highly relevant for detection and separation of viruses, biogenic amines and other pathogens, for which the Company has products at various stages of development.

For more information about Sixth Wave, please visit our web site at www.sixthwave.com.

ON BEHALF OF THE BOARD OF DIRECTORS

"*Jon Gluckman*"
Jonathan Gluckman, Ph.D., President & CEO

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Cautionary Notes

This press release includes certain statements that may be deemed "forward-looking statements" including statements regarding the completion and timing of any additional tranches of the Financing, the planned use of net proceeds of the Financing and the performance of the AMIPs and Affinity™ technologies. All statements in this release, other than statements of historical facts, that address future events or developments that the Company expects, are forward-looking statements. 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 events or developments may differ materially from those in forward-looking statements. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. In particular, successful development and commercialization of the AMIPs technology are subject the risk that the AMIPs technology may not prove to be successful in detecting virus targets effectively or at all, uncertainty of medical product development, uncertainty of timing or availability of required regulatory approvals, lack of track record of developing products for medical applications and the need for additional capital to carry out product development activities. The value of any products ultimately developed could be negatively impacted if the patent is not granted. The Company has not yet

completed development of a prototype for the product that is subject of its patent application and has not yet applied for regulatory approval for the use of this product from any regulatory agency.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. 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.