

January 29, 2020

Ecovatec Solutions – Notice to Shareholders

The Company has been focused on advancing several potential industry leading health products through clinical trials and testing. The most notable being our EcovaPure™ HDL heart health product with our strategic partner, Applied Food Science Inc, or AFS. These clinical trials are expected to be completed by June 2020. The Company would also like to announce that we are currently seeing increasing interest and revenues across all products as well as revenues for contract manufacturing services.

The Company is currently planning a round of funding for scale up and commercialization activities through a private placement in July 2020 after the clinical trial is complete and the value of that intellectual property is reflected. AFS has also committed all reasonable efforts to assist ESI in this placement.

In order to fund the business through the completion of the clinical trial, the Company is taking on a convertible loan of an estimated \$400,000 CAD. This loan will be taken in multiple tranches over 6 months and accrue interest at 8% per annum calculated from the time that the tranche is received by the Company through to the date in which it is repaid. The loan installments will be required as follows:

February 15, 2020	\$150,000
April 15, 2020	\$100,000
June 15, 2020	\$100,000
Aug 15, 2020	\$50,000

Ecovatec reserves the right to cancel any future planned installments and/or pay back the loan at any time but repayment will be at a date no later than Dec 31st, 2020. If the loan is unpaid as of Dec 31st, 2020 the loan shall become fully due and payable at which time the lender will have the option to have the loan and accrued interest, converted to shares at a share value rate of 50% of the Company's fair market value (FMV) as of the date of conversion, or renegotiate any outstanding balance into a new loan agreement. The loan will continue to accrue interest at the prescribed rate until such time it is fully paid back, converted to shares, or converted into a new loan.

If the lender and the Company cannot come to agreement on FMV within 10 days of the conversion date, an agreed upon valuation appraiser, named here, Growth Lab Financial Services, LLC., will be designated. Fees for the appraiser have been on this date set aside and held in escrow from the loan proceeds in the amount of \$10,000 CAD for such appraisal. The appraisal shall be completed within 30 days. The Company reserves the right to fully pay back the loan with interest immediately if not in agreement with the valuation appraiser's assessment.



The Company is presenting the opportunity to all shareholders to participate in funding this convertible loan in order to take advantage of the terms offered. Applied Food Sciences Inc has agreed to participate and fund any unsubscribed portion of this loan up to the full \$400,000 CAD amount. If funding for this opportunity is oversubscribed, we will prorate involvement based on current share holdings of the participants up to their maximum stated amount. In order to provide continuity to business operations we are expecting participants to express their involvement by February 7th, 2020 and to be prepared to submit their first portion by the February 15th, 2020 listed installment date.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Nichols".

Chris Nichols, President and COO
Ecovatec Solutions Inc