

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

MGX Renewables Inc. dba Zinc8 Energy Solutions (the “**Company**”)
#1 - 8765 Ash Street
Vancouver, BC V6P 6T3

Item 2 Date of Material Change

February 10, 2019

Item 3 News Release

The news release was disseminated on February 10, 2019 through ACCESSWIRE.

Item 4 Summary of Material Change

The Company announced that it has completed its previously announced non-brokered private placement (the “**Private Placement**”), as described in its News Release dated January 21, 2020, pursuant to which it has issued an aggregate of 27,879,513 units (each, a “**Unit**”) at a price of \$0.11 per Unit for gross proceeds of \$3,066,746.43.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that further to its News Release of January 21, 2020, it has closed the Private Placement of \$3,066,746.43.

Each Unit consists of one (1) common share and one non-transferable share purchase warrant (each a “**Warrant**”). The Warrants are exercisable for a period of two (2) years at a price of \$0.155 in the first year from the date of issuance and at a price of \$0.40 for the balance of the term.

The Company paid finder’s fees of \$186,893 and issued 632,887 share purchase warrants to certain finders in connection with the Private Placement.

All securities issued in respect of the Private Placement will be subject to a hold period of four (4) months and a day from closing of the Private Placement in accordance with securities laws.

The proceeds of the Private Placement will be used for general working capital.

Disclosure Required by MI 61-101

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), the Private Placement constitutes a “related party transaction” as a related party of the Company participated in the Private Placement.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

The Company entered into a subscription agreement with Michael A. Reimann, a director of the Company, whereby Mr. Reimann agreed to purchase 300,000 Units of the Company at a price of \$0.11 per Share for proceeds of \$33,000.

The Company entered into a subscription agreement with Sorin Spinu, an officer of the Company, whereby Mr. Spinu agreed to purchase 200,000 Units of the Company at a price of \$0.11 per Share for proceeds of \$22,000.

The Company entered into a subscription agreement with John McLeod, an officer of the Company, whereby Mr. McLeod agreed to purchase 200,000 Units of the Company at a price of \$0.11 per Share for proceeds of \$22,000.

The Company entered into a subscription agreement with 2562100 Ontario Ltd., a company wholly owned and controlled by Ron MacDonald, a director and officer of the Company, whereby Mr. MacDonald agreed to purchase 863,636 Units of the Company at a price of \$0.11 per Share for proceeds of \$94,999.96.

The Company entered into a subscription agreement with David Hodge, a director of the Company, whereby Mr. Hodge agreed to purchase 409,090 Units of the Company at a price of \$0.11 per Share for proceeds of \$44,999.90.

(b) the purpose and business reasons for the transaction:

Proceeds of the Private Placement are anticipated to be used for general working capital.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The Private Placement will provide funds for general working capital.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

See item (a).

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The following table sets out the effect of the Private Placement on the percentage of securities of the Company beneficially owned or controlled by Michael A. Reimann, Sorin Spinu, John McLeod, 02562100 Ontario Ltd. and David Hodge:

| Name and Position | Dollar Amount of Shares Purchased | Number of Securities Purchased | No. of Shares Held prior to Closing of the Private Placement | Percentage of Issued and Outstanding Shares prior to Closing of the Private Placement | No. of Shares Held After Closing of the Private Placement | Percentage of Issued and Outstanding Shares After Closing of the Private Placement |
|--------------------------------|-----------------------------------|--------------------------------|---|---|--|--|
| Michael A. Reimann Director | \$33,000 | 300,000 Units | Undiluted: 600,000 ⁽¹⁾ Diluted: 872,162 ⁽²⁾ | Undiluted: 1.25% ⁽³⁾ Diluted: 1.81% ⁽⁴⁾ | Undiluted: 900,000 ⁽⁵⁾ Diluted: 1,472,162 ⁽⁶⁾ | Undiluted: 1.18% ⁽⁷⁾ Diluted: 1.92% ⁽⁸⁾ |
| Sorin Spinu Officer | \$22,000 | 200,000 Units | Undiluted: 645,000 ⁽⁹⁾ Diluted: 713,040 ⁽¹⁰⁾ | Undiluted: 1.34% ⁽³⁾ Diluted: 1.48% ⁽¹¹⁾ | Undiluted: 845,000 ⁽¹²⁾ Diluted: 1,113,040 ⁽¹³⁾ | Undiluted: 1.16% ⁽⁷⁾ Diluted: 1.46% ⁽¹⁴⁾ |

| Name and Position | Dollar Amount of Shares Purchased | Number of Securities Purchased | No. of Shares Held prior to Closing of the Private Placement | Percentage of Issued and Outstanding Shares prior to Closing of the Private Placement | No. of Shares Held After Closing of the Private Placement | Percentage of Issued and Outstanding Shares After Closing of the Private Placement |
|---|-----------------------------------|--------------------------------|--|---|--|--|
| John McLeod <i>Officer</i> | \$22,000 | 200,000 Units | Undiluted: 0 Diluted: 136,081 ⁽¹⁵⁾ | Undiluted: 0% ⁽³⁾ Diluted: 0.28% ⁽¹⁶⁾ | Undiluted: 200,000 ⁽¹⁷⁾ Diluted: 536,081 ⁽¹⁸⁾ | Undiluted: 0.26% ⁽⁷⁾ Diluted: 0.70% ⁽¹⁹⁾ |
| 2562100 Ontario Ltd. <i>Director and Officer</i> | \$94,999.96 | 863,636 Units | Undiluted: 0 Diluted: 680,406 ⁽²⁰⁾ | Undiluted: 0% ⁽³⁾ Diluted: 1.40% ⁽²¹⁾ | Undiluted: 863,636 ⁽²²⁾ Diluted: 2,407,687 ⁽²³⁾ | Undiluted: 1.14% ⁽⁷⁾ Diluted: 3.11% ⁽²⁴⁾ |
| David Hodge <i>Director</i> | \$44,999.90 | 409,090 Units | Undiluted: 1,077,333 ⁽²⁵⁾ Diluted: 2,729,698 ⁽²⁶⁾ | Undiluted: 2.25% ⁽³⁾ Diluted: 5.51% ⁽²⁷⁾ | Undiluted: 1,486,423 ⁽²⁸⁾ Diluted: 3,547,878 ⁽²⁹⁾ | Undiluted: 1.96% ⁽⁷⁾ Diluted: 4.56% ⁽³⁰⁾ |

⁽¹⁾ Comprised of: (i) 600,000 Shares held directly;

⁽²⁾ Comprised of: (i) 600,000 Shares held directly, and (ii) 272,162 stock options (each, an "Option") held directly, each of which is exercisable into one Share at a price of \$0.21 per Share until September 30, 2024.

⁽³⁾ Based on 47,831,861 Shares outstanding prior to the completion of the Private Placement.

⁽⁴⁾ Based on 48,104,023 Shares outstanding on a partially-diluted basis prior to the completion of the Private Placement, comprised of: (i) 47,831,861 outstanding prior to the completion of the Private Placement, and (ii) 272,162 Shares that may be issued on exercise of Options held directly.

⁽⁵⁾ Comprised of: (i) 900,000 Shares held directly;

⁽⁶⁾ Comprised of: (i) 900,000 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (2) above, and (iii) 300,000 warrants held directly, each of which is exercisable into one share at a price of \$0.155 per Share for the first year and \$0.40 for the second year until February 10, 2022.

⁽⁷⁾ Based on 75,711,374 Shares outstanding following the completion of the Private Placement.

⁽⁸⁾ Based on 76,283,536 Shares outstanding on a partially diluted-bases following the completion of the Private Placement, comprised of: (i) 75,711,374 Shares outstanding following the completion of the Private Placement, (ii) 300,000 Shares that may be issuable on exercise of warrants held directly, and (iii) 272,162 Shares that may be issued on exercise of Options held directly.

⁽⁹⁾ Comprised of: (i) 645,000 Shares held directly;

⁽¹⁰⁾ Comprised of: (i) 645,000 Shares held directly, and (ii) 68,040 Options held directly, each of which is exercisable into one Share at a price of \$0.21 per Share until September 30, 2024.

⁽¹¹⁾ Based on 47,899,901 Shares outstanding on a partially-diluted basis prior to the completion of the Private Placement, comprised of: (i) 47,831,861 outstanding prior to the completion of the Private Placement, and (ii) 68,040 Shares that may be issued on exercise of Options held directly.

⁽¹²⁾ Comprised of: (i) 845,000 Shares held directly;

⁽¹³⁾ Comprised of: (i) 845,000 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (2) above, and (iii) 200,000 warrants held directly, each of which is exercisable into one share at a price of \$0.155 per Share for the first year and \$0.40 for the second year until February 10, 2022.

⁽¹⁴⁾ Based on 75,979,414 Shares outstanding on a partially diluted-bases following the completion of the Private Placement, comprised of: (i) 75,711,374 Shares outstanding following the completion of the Private Placement, (ii) 200,000 Shares that may be issuable on exercise of warrants held directly, and (iii) 68,040 Shares that may be issued on exercise of Options held directly.

- ⁽¹⁵⁾ Comprised of: (ii) 136,081 Options held directly, each of which is exercisable into one Share at a price of \$0.21 per Share until September 30, 2024.
- ⁽¹⁶⁾ Based on 47,967,942 Shares outstanding on a partially-diluted basis prior to the completion of the Private Placement, comprised of: (i) 47,831,861 outstanding prior to the completion of the Private Placement, and (ii) 136,081 Shares that may be issued on exercise of Options held directly
- ⁽¹⁷⁾ Comprised of: (i) 200,000 Shares held directly;
- ⁽¹⁸⁾ Comprised of: (i) 200,000 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (2) above, and (iii) 200,000 warrants held directly, each of which is exercisable into one share at a price of \$0.155 per Share for the first year and \$0.40 for the second year until February 10, 2022.
- ⁽¹⁹⁾ Based on 76,047,455 Shares outstanding on a partially diluted-bases following the completion of the Private Placement, comprised of: (i) 75,711,374 Shares outstanding following the completion of the Private Placement, (ii) 200,000 Shares that may be issuable on exercise of warrants held directly, and (iii) 136,081 Shares that may be issued on exercise of Options held directly.
- ⁽²⁰⁾ Comprised of: (ii) 680,406 Options held directly, each of which is exercisable into one Share at a price of \$0.21 per Share until September 30, 2024.
- ⁽²¹⁾ Based on 48,512,267 Shares outstanding on a partially-diluted basis prior to the completion of the Private Placement, comprised of: (i) 47,831,861 outstanding prior to the completion of the Private Placement, and (ii) 680,406 Shares that may be issued on exercise of Options held directly.
- ⁽²²⁾ Comprised of: (i) 863,636 Shares held indirectly through 2562100 Ontario Ltd., a company wholly owned and controlled by Ron MacDonald;
- ⁽²³⁾ Comprised of: (i) 863,636 Shares held indirectly through 2562100 Ontario Ltd., (ii) all of the convertible securities of the Company set out in footnote (2) above, and (iii) 863,636 warrants held directly, each of which is exercisable into one share at a price of \$0.155 per Share for the first year and \$0.40 for the second year until February 10, 2022.
- ⁽²⁴⁾ Based on 77,255,416 Shares outstanding on a partially diluted-bases following the completion of the Private Placement, comprised of: (i) 75,711,374 Shares outstanding following the completion of the Private Placement, (ii) 863,636 Shares that may be issuable on exercise of warrants held directly, and (iii) 680,406 Shares that may be issued on exercise of Options held directly.
- ⁽²⁵⁾ Comprised of: (i) 1,077,333 Shares held directly;
- ⁽²⁶⁾ Comprised of: (i) 1,077,333 Shares held directly, (ii) 1,040,000 warrants held directly, each of which is exercisable into Shares, and (ii) 272,162 Options held directly, each of which is exercisable into one Share at a price of \$0.21 per Share until September 30, 2024.
- ⁽²⁷⁾ Based on 49,484,266 Shares outstanding on a partially-diluted basis prior to the completion of the Private Placement, comprised of: (i) 47,831,861 outstanding prior to the completion of the Private Placement, (ii) 1,040,000 warrants that may be issued on exercise of warrants held directly, and (ioi) 612,365 Shares that may be issued on exercise of Options held directly.
- ⁽²⁸⁾ Comprised of: (i) 1,077,333 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (2) above, and (iii) 409,090 warrants held directly, each of which is exercisable into one share at a price of \$0.155 per Share for the first year and \$0.40 for the second year until February 10, 2022.
- ⁽²⁹⁾ Based on 75,979,414 Shares outstanding on a partially diluted-bases following the completion of the Private Placement, comprised of: (i) 75,711,374 Shares outstanding following the completion of the Private Placement, (ii) 200,000 Shares that may be issuable on exercise of warrants held directly, and (iii) 68,040 Shares that may be issued on exercise of Options held directly.
- ⁽³⁰⁾ Based on 77,772,829 Shares outstanding on a partially diluted-bases following the completion of the Private Placement, comprised of: (i) 75,711,374 Shares outstanding following the completion of the Private Placement, (ii) 1,449,090 Shares that may be issuable on exercise of warrants held directly, and (iii) 612,365 Shares that may be issued on exercise of Options held directly.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

Minutes of a board of directors meeting held on January 24, 2020 approved the Private Placement. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

See item (a).

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Private Placement is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in section 5.5(a) and 5.7(1)(a) of MI 61-101, since neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Private Placement, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Private Placement, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

See attached new releases with respect to the matter described above.

5.2 *Disclosure for Restructuring Transactions*

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Contact: Ron MacDonald, Chief Executive Officer
Telephone: 604.366.5918

Item 9 Date of Report

February 13, 2020

MGX Renewables Inc. DBA Zinc8 Energy Solutions Announces Closing of Private Placement

VANCOUVER, BC / February 10, 2020 / MGX Renewables Inc., DBA Zinc8 Energy Solutions (the "Company") (CSE:MGXR) (FSE:OE9) is pleased to announce that it has completed its previously announced non-brokered private placement (the "**Private Placement**"), as described in its News Release dated January 21, 2020, pursuant to which it has issued an aggregate of 27,879,513 units (each, a "**Unit**") at a price of \$0.11 per Unit for gross proceeds of \$3,066,746.43.

Each Unit consists of one (1) common share and one non-transferable share purchase warrant (each a "Warrant"). The Warrants are exercisable for a period of two (2) years at a price of \$0.155 in the first year from the date of issuance and at a price of \$0.40 for the balance of the term.

The Company paid finder's fees of \$186,893 and issued 632,887 share purchase warrants to certain finders in connection with the Private Placement.

All securities issued in respect of the Private Placement will be subject to a hold period of four (4) months and a day from closing of the Private Placement in accordance with securities laws.

The proceeds of the Private Placement will be used for general working capital.

About Zinc8 Energy Solutions

Zinc8 Energy Solutions has assembled an experienced team to execute the development and commercialization of a dependable low-cost zinc-air battery. Zinc-air batteries can be ideal for mass storage systems and offer both environmental and safety benefits. *Zinc8 Energy Solutions* strives to meet the growing need for secure and reliable power.

To watch a short video outlining Zinc8 Energy Solutions' technology, please visit: <https://zinc8energy.com>

More about The Zinc8 Energy Storage System (ESS)

The *Zinc8* ESS is a modular Energy Storage System designed to deliver power in the range 20kW - 50MW with capacity of 8 hours of storage duration or higher. With the advantage of rechargeable zinc-air flow battery technology, the system can be configured to support a wide range of long-duration applications for microgrids and utilities. Since the energy storage capacity of the system is determined only by the size of the zinc storage tank, a very cost-effective and scalable solution now exists as an alternative to the fixed power/energy ratio of the lithium-ion battery.

Technology

The *Zinc8* ESS is based upon unique patented zinc-air battery technology. Energy is stored in the form of zinc particles, similar in size to grains of sand. When the system is delivering power, the zinc particles are combined with oxygen drawn from the surrounding air. When the system is recharging, zinc particles are regenerated, and oxygen is returned to the surrounding air.

Applications

The flexibility of the *Zinc8* ESS enables it to service a wide range of applications. Typical examples include:

- Smoothing energy derived from renewable sources such as wind and solar
- Commercial/Industrial backup replacing diesel generators
- Industrial and grid scale, on-demand power for peak shaving and standby reserves

- Grid-scale services such as alleviating grid congestion, deferring transmission/distribution upgrades, energy trading and arbitrage, and increasing renewable energy penetration.

Architecture

The Zinc8 ESS is designed according to a modular architecture that enables a wide variety of system configurations to be created from a small number of common subsystems. Each subsystem implements a single element of the technology:

- The Zinc Regeneration Subsystem (ZRS) provides the recharging function
- The Fuel Storage Subsystem (FSS) provides the energy storage function
- The Power Generation Subsystem (PGS) provides the discharging function

To watch a short video outlining Zinc8's technology, please visit: <https://zinc8energy.com>

Contact Information

Patrick Butler

Corporate Development

Telephone: (604) 681-1568

patrick@zinc8energy.com

Web: investors@zinc8energy.com

Forward-Looking Information

This news release contains certain statements or disclosures relating to Zinc8 Energy Solutions that are based on the expectations of its management as well as assumptions made by and information currently available to Zinc8 Energy Solutions which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Zinc8 Storage anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements.

Forward looking statements in this press release include that we can execute the development and commercialization of a dependable low cost zinc-air battery; that our mass storage system offers both environmental and efficiency benefits; that we can help meet the needs for secure and reliable power; that our technology is scalable for energy storage solutions; that this agreement opens the door for Zinc8 to deploy its technology into the broader utility market; and that we can reach full commercialization. The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: we may not be able to raise enough funds to fully develop our technology; that our technology fails to work as expected or at all; that our technology proves to be too expensive to implement broadly; that customers do not adapt our products for being too complex, costly, or not fitting with their current products or plans; general economic, market and business conditions; increased costs and expenses; inability to retain qualified employees; our patents may not provide protection as expected and we may infringe on the patents of others; and certain other risks detailed from time to time in Zinc8 Energy Solution's public disclosure documents, copies of which are available on MGX Renewables Inc's SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the CSE nor any Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.