

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

March 11, 2020

Item 3 News Release

The news release was disseminated on March 11, 2020 through ACCESSWIRE.

Item 4 Summary of Material Change

The Company announced that it has settled the debt claimed by MGX Minerals Inc. by agreement to pay to them \$1,500,000 over the next 4 months. MGX Minerals Inc. had previously claimed a higher amount and the matter had been in dispute.

Also as part of the settlement, MGX Minerals Inc. has agreed to sell to Zimtu Capital Corp. 5,500,000 shares of Zinc8 for \$550,000 that are to be held in escrow and released over approximately two years. The remaining Zinc8 shares in escrow will be retained by MGX Minerals Inc.

Zinc8 and Michael Reimann (Board member) on one side and MGX Minerals Inc. and Jared Lazerson (Board member) on the other have agreed to mutual releases of claims including termination of outstanding litigation against Reimann by MGX Minerals Inc. Jared Lazerson has resigned as a director of Zinc8, which has reached a severance agreement with Mr. Lazerson, who is also the former CEO of Zinc8. Mr. Lazerson was terminated as CEO in September 2019 having led the acquisition of Zinc8 from Teck Resources by MGX Minerals Inc. in December of 2017 and led the spinoff of the wholly owned subsidiary from MGXM. Mr. Lazerson will on closing be paid 800,000 units at a deemed price of \$0.38 per unit, each unit comprising one Zinc8 common share and one share purchase warrant. Each warrant is exercisable for 2 years at a price of \$0.50 for one additional common share. This is in settlement of all claims by Mr. Lazerson.

The board of Zinc8 now is composed of Ron MacDonald, CEO, Michael Reimann, Lyndon Patrick and David Hodge.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See attached new release 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

March 13, 2020



Zinc8 Energy Solutions Inc. Announces Settlement of Debt and Resignation of Director

VANCOUVER, BRITISH COLUMBIA / March 11, 2020 / MGX Renewables Inc, DBA Zinc8 Energy Solutions ("Zinc8" or the "Company"), is pleased to announce that it has settled the debt claimed by MGX Minerals Inc. by agreement to pay to them \$1,500,000 over the next 4 months. MGX Minerals Inc. had previously claimed a higher amount and the matter had been in dispute.

Also as part of the settlement, MGX Minerals Inc. has agreed to sell to Zimtu Capital Corp. 5,500,000 shares of Zinc8 for \$550,000 that are to be held in escrow and released over approximately two years. The remaining Zinc8 shares in escrow will be retained by MGX Minerals Inc.

Zinc8 and Michael Reimann (Board member) on one side and MGX Minerals Inc. and Jared Lazerson (Board member) on the other have agreed to mutual releases of claims including termination of outstanding litigation against Reimann by MGX Minerals Inc.

Jared Lazerson has resigned as a director of Zinc8, which has reached a severance agreement with Mr. Lazerson, who is also the former CEO of Zinc8. Mr. Lazerson was terminated as CEO in September 2019 having led the acquisition of Zinc8 from Teck Resources by MGX Minerals Inc. in December of 2017 and led the spinoff of the wholly owned subsidiary from MGXM. Mr. Lazerson will on closing be paid 800,000 units at a deemed price of \$0.38 per unit, each unit comprising one Zinc8 common share and one share purchase warrant. Each warrant is exercisable for 2 years at a price of \$0.50 for one additional common share. This is in settlement of all claims by Mr. Lazerson.

The board of Zinc8 now is composed of Ron MacDonald, CEO, Michael Reimann, Lyndon Patrick and David Hodge.

About Zinc8 Energy Solutions

Zinc8 has assembled an experienced team to execute the development and commercialization of a dependable low-cost zinc-air battery. This mass storage system offers both environmental and efficiency benefits. Zinc8 strives to meet the growing need for secure and reliable power.

To watch a short video outlining Zinc8's 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

Contact Information

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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 will close the settlement agreement with Jared Lazerson and MGX Minerals; 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; and that we can help meet the needs for secure and reliable power. Zinc8 Energy Solutions believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time, but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of

future performance. 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: that the settlement agreement does not close for any reason; 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; our competitors may offer better or cheaper solutions for battery storage; 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 i, 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.