

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

February 24, 2021

Item 3 News Release

The news release was disseminated on February 24, 2021 through ACCESSWIRE.

Item 4 Summary of Material Change

The Company announced that, further to its news release dated February 3, 2021, the Company has closed a marketed private placement offering (the “**Offering**”) of 28,750,000 common shares (the “**Shares**”) of the Company, including 3,750,000 Shares issued pursuant to the exercise, in full, of the agents’ option, at a price of \$0.54 per Share for total gross proceeds to the Company of \$15,525,000.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that, further to its news release dated February 3, 2021, the Company has closed an Offering of 28,750,000 Shares of the Company, including 3,750,000 Shares issued pursuant to the exercise, in full, of the agents’ option, at a price of \$0.54 per Share for total gross proceeds to the Company of \$15,525,000.

The Offering was conducted on a “best efforts” basis and was led by Raymond James Ltd. and Haywood Securities Inc., as co-lead agents and co-book runners, on behalf of a syndicate of agents that included Stifel Nicolaus Canada Inc. and Gravititas Securities Inc. (collectively, the “**Agents**”). The Company paid the Agents a cash commission equal to 6% of the gross proceeds of the Offering and issued an aggregate of 1,725,000 compensation warrants, being 6% of the number of Shares sold under the Offering. Each compensation warrant is exercisable to acquire one common share of the Company (a “**Compensation Warrant Share**”) at an exercise price of \$0.54 per Compensation Warrant Share until February 24, 2023, subject to adjustment in certain events.

The net proceeds of the Offering will be used for further research and development and commercialization of the Company’s patented zinc-air battery system, business development, marketing, capital investments and general working capital requirements.

The Shares issued pursuant to the Offering will be subject to a 4 month and one day hold period pursuant to applicable Canadian securities laws.

Disclosure Required by MI 61-101

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

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 Gurcharn Deol, a director of the Company, whereby Mr. Deol agreed to purchase 46,300 Units of the Company at a price of \$0.54 per Share for proceeds of \$25,002.

The Company entered into a subscription agreement with Sorin Spinu, the Chief Financial Officer of the Company, whereby Mr. Spinu agreed to purchase 54,311 Units of the Company at a price of \$0.54 per Share for proceeds of \$29,327.94.

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

Proceeds of the Offering are anticipated to be used for further research and development and commercialization of the Company's patented zinc-air battery system, business development, marketing, capital investments and general working capital requirements.

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

The Offering will be used for further research and development and commercialization of the Company's patented zinc-air battery system, business development, marketing, capital investments and general working capital requirements.

(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 Offering on the percentage of securities of the Company beneficially owned or controlled by Mr. Deol and Mr. Spinu:

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Gurcharn Deol <i>Director</i>	\$25,002	46,300 Shares	Undiluted: 0 Diluted: 0	Undiluted: 0% ⁽¹⁾ Diluted: 0%	Undiluted: 46,300 Diluted: 46,300	Undiluted: 0.03% ⁽²⁾ Diluted: 0.03%
Sorin Spinu <i>Chief Financial Officer</i>	\$29,327.94	54,311 Shares	Undiluted: 574,500 ⁽³⁾ Diluted: 776,105 ⁽⁴⁾	Undiluted: 0.48% ⁽¹⁾ Diluted: 0.64% ⁽⁵⁾	Undiluted: 628,811 ⁽⁶⁾ Diluted: 830,416 ⁽⁷⁾	Undiluted: 0.42% ⁽²⁾ Diluted: 0.55% ⁽⁸⁾

⁽¹⁾ Based on 120,919,365 Shares outstanding prior to the completion of the Offering.

⁽²⁾ Based on 149,669,365 Shares outstanding following the completion of the Offering.

⁽³⁾ Comprised of: (i) 574,500 Shares held directly;

⁽⁴⁾ Comprised of: (i) 574,500 Shares held directly, (ii) 100,000 warrants held directly, each of which is exercisable into one Share at a price of \$0.30 per Share, (iii) 33,565 stock options held directly, each of which is exercisable in to one Share at a price of \$0.32 per Share, and (iv) 68,040 stock options held directly, each of which is exercisable in to one Share at a price of \$0.21 per Share.

⁽⁵⁾ Based on 121,120,970 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 120,919,365 outstanding prior to the completion of the Offering, (ii) 100,000 Shares that may be issued on exercise of warrants held directly, and (iii) 101,605 Shares that may be issued on exercise of stock options held directly.

⁽⁶⁾ Comprised of: (i) 628,811 Shares held directly.

⁽⁷⁾ Comprised of: (i) 628,811 Shares held directly, and (ii) all of the convertible securities of the Company set out in footnote (2) above.

⁽⁸⁾ Based on 149,870,970 Shares outstanding on a partially diluted-bases following the completion of the Offering, comprised of: (i) 149,669,365 Shares outstanding following the completion of the Offering, (ii) 100,000 Shares that may be issuable on exercise of warrants held directly, and (iii) 101,605 Shares that may be issuable on exercise of stock options held directly.

(d) 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:

(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.

A resolution of the board of directors was passed on February 23, 2021 which approved the Offering. 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 Company did not file a material change report 21 days prior to closing of the Offering as the Company was not aware of all details of the insider participation in the Offering until just before closing.

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 2, 2021



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Zinc8 Energy Solutions Announces Closing of Private Placement of Common Shares

Vancouver, British Columbia, Canada – February 24, 2021 Zinc8 Energy Solutions Inc. (“Zinc8” or the “Company”) (CSE: ZAIR) is announcing that, further to its news release dated February 3, 2021, the Company has closed a marketed private placement offering (the “Offering”) of 28,750,000 common shares (the “Shares”) of the Company, including 3,750,000 Shares issued pursuant to the exercise, in full, of the agents’ option, at a price of \$0.54 per Share for total gross proceeds to the Company of \$15,525,000.

The Offering was conducted on a “best efforts” basis and was led by Raymond James Ltd. and Haywood Securities Inc., as co-lead agents and co-book runners, on behalf of a syndicate of agents that included Stifel Nicolaus Canada Inc. and Gravitass Securities Inc. (collectively, the “Agents”). The Company paid the Agents a cash commission equal to 6% of the gross proceeds of the Offering and issued an aggregate of 1,725,000 compensation warrants, being 6% of the number of Shares sold under the Offering. Each compensation warrant is exercisable to acquire one common share of the Company (a “Compensation Warrant Share”) at an exercise price of \$0.54 per Compensation Warrant Share until February 24, 2023, subject to adjustment in certain events.

The net proceeds of the Offering will be used for further research and development and commercialization of the Company’s patented zinc-air battery system, business development, marketing, capital investments and general working capital requirements.

The Shares issued pursuant to the Offering will be subject to a 4 month and one day hold period pursuant to applicable Canadian securities laws.

The Offering included participation from the extended management team (including the Company’s CFO and a director). Accordingly, the Offering constitutes a “related party transaction” as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), which requires that the Company, in the absence of exemptions, obtain a formal valuation for, and minority shareholder approval of, the related party transaction. The Offering will be exempt from the valuation and the minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in section 5.5(a) and 5.7(1)(a), respectively, as the fair market value of the consideration for the Shares issued to “related parties” is not more than 25% of the Company’s market capitalization. As the material change report relating to the completion of the Offering will be filed on SEDAR less than 21 days before the completion of the Offering, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the

Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Offering in a timely manner.

The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered, sold or delivered, directly or indirectly, in the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, unless an exemption from registration is available. This news release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction.

About Zinc8 Energy Solutions Inc.

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 learn more about Zinc8's technology, please visit: www.zinc8energy.com

Notice Regarding Forward Looking Statements

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 the use of the net proceeds of the Offering; that Zinc8 can execute the development and commercialization of a dependable low cost zinc-air battery; that the Company's mass storage system offers both environmental and efficiency benefits; and that Zinc8 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 Company's technology fails to work as expected or at all; that the Company's technology proves to be too expensive to implement broadly; that customers do not adapt the Company's products for being too complex, costly, or not fitting with their current products or plans; the Company's 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; the Company's patents may not provide protection as expected and Zinc8 may infringe on the patents of others; and certain other risks detailed from time to time in the Company's public disclosure documents, copies of which are available on the Company'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.

For more information please contact:

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