

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

January 26, 2023

Item 3 News Release

The news release was disseminated on January 26, 2023 through ACCESSWIRE.

Item 4 Summary of Material Change

The Company announced the approval for a grant from the Empire State Development (“ESD”) of up to US\$9 million in performance-based Excelsior Jobs Program (“EJP”) tax credits to incentivize the Company to locate and establish its first US-based production facility in New York State. The tax credits are available immediately for a period of up to 5 years, in whole or part, depending on the level of investment and jobs created.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced the approval for a grant from the ESD of up to US\$9 million in performance-based EJP tax credits to incentivize the Company to locate and establish its first US-based production facility in New York State. The tax credits are available immediately for a period of up to 5 years, in whole or part, depending on the level of investment and jobs created.

Once the final site selection has been determined, the Company intends to make a significant investment over a five-year span to automate and build out the site, making this the Company’s U.S. headquarters and initial production facility. Further to the build out, the Company plans to create up to 500 clean jobs over this period for the local economy with support of the EJP tax credits.

The EJP provides job creation and investment incentives to firms in targeted industries such as biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agriculture and manufacturing. Firms in these industries that create and maintain new jobs or make significant financial investment are eligible to apply for up to five tax credits. The program encourages businesses to expand in and relocate to New York while maintaining strict accountability standards to guarantee that businesses deliver on job and investment commitments. Program costs are capped annually to maintain fiscal affordability and ensure that New Yorkers realize a positive return on their investment.

The Company’s CEO, Ron MacDonald, had previously announced in September 2022 that the company would be setting up its first manufacturing operations in the USA, a direct result of the Federal Government’s passage of the Inflation Reduction Act which provides generous refundable tax credits for Zinc8’s future US production of its Zinc-air energy storage systems.

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 2, 2023