

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

March 15, 2023

Item 3 News Release

The news release was disseminated on March 15, 2023 through ACCESSWIRE.

Item 4 Summary of Material Change

The Company announced the approval from the Ulster County Industrial Development Agency (“UCIDA”) of the issuance of tax-exempt revenue bonds for up to US\$10 million to undertake the buildout and completion of the Company’s first commercial manufacturing facility within Ulster County, New York.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced the approval from the UCIDA of the issuance of tax-exempt revenue bonds for up to US\$10 million to undertake the buildout and completion of the Company’s first commercial manufacturing facility within Ulster County, New York.

The proceeds from the US\$10 million are expected to be utilized for the acquisition of machinery, equipment, fit-up and improvements to the facility.

The mission of the UCIDA is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by utilizing tax incentives, municipal bonds and other forms of financial assistance to foster the creation and attraction of new business and the retention and expansion of existing business within Ulster County, New York.

Once a lease has been entered into for the Company’s inaugural manufacturing facility in the United States, the Company expects that additional financial investment will need to be made into the facility over the first three years after taking possession. The Company is currently reviewing the capital requirements to fund the buildout of the manufacturing facility and will provide any updates as they arise.

The Company continues to work diligently towards securing a lease for its manufacturing facility in Ulster County and pursuing options for financing the manufacturing facility build out, completion of ongoing product demonstrations, commercialization of the Company’s battery products, and ongoing working capital requirements. Additional funding will be required beyond the municipal bond and tax incentives in order to fund the build out of the manufacturing facility and commercialization of the Company’s product through the first three years after the Company secures possession of a manufacturing facility. As noted above, the Company is still reviewing the financial requirements and required funding to buildout the manufacturing facility. The Ulster County tax-exempt municipal bonds are subject to various terms and

conditions, including limitations on the use of funds and repayment terms. In connection with the issuance of the municipal bonds, the Company has engaged KeyBanc Capital Markets Inc. (“**KBCM**”) as placement agent to place the bonds with eligible investors in accordance with applicable securities laws. The terms of the placement of the bonds have not yet been determined, and the Company expects placement fees to be paid to KBCM in connection with the placement of the bonds. Upon settlement of the terms of the placement of the bonds, the Company will provide such terms in a future release.

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 16, 2023