

## NOTICE OF CHANGE IN CORPORATE STRUCTURE

(Pursuant to Section 4.9 of National Instrument 51-102 *Continuous Disclosure Obligations*)

### 1. Name of the parties to the transaction:

Metamaterial Inc. (“**Meta**”), Meta Materials Inc. (formerly Torchlight Energy Resources, Inc.) (“**MMI**”), Metamaterial Exchangeco Inc. (formerly 2798832 Ontario Inc.) (“**Canco**”) and 2798831 Ontario Inc. (“**Callco**”).

### 2. Description of the transaction:

On December 14, 2020 Meta, MMI, Callco and Canco entered into an arrangement agreement, as amended (the “**Arrangement Agreement**”), pursuant to which MMI, via its wholly-owned subsidiary Canco, agreed, among other things, to acquire all of the issued and outstanding shares of Meta (the “**Meta Shares**”) pursuant to a plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the “**Arrangement**”). The Arrangement is in substance a reverse takeover of MMI by Meta.

Pursuant to the Arrangement, (i) the Meta Shares were acquired in exchange for shares of common stock in the capital of MMI or, at the election of each eligible holder of Meta Shares, exchangeable shares in the capital of Canco on the basis of 1.845 MMI shares or 1.845 exchangeable shares of Canco for each Meta Share (the “**Exchange Ratio**”); (ii) the options (“**Options**”) were exchanged for replacement options to purchase MMI shares based on the Exchange Ratio and with the exercise price of such replacement options adjusted to give effect to the Exchange Ratio; (iii) the deferred share units (“**DSUs**”) were continued on the same terms and conditions, except that the terms of the DSUs were amended so as to substitute MMI shares for the Meta Shares issuable pursuant to such DSUs based on the Exchange Ratio; and (iv) the warrants (“**Warrants**”) were continued on the same terms and conditions except that the terms of the Warrants were amended so as to (a) substitute MMI shares for the Meta Shares issuable pursuant to such Warrants based on the Exchange Ratio, and (b) adjust the exercise price of such Warrants to give effect to the Exchange Ratio.

On March 12, 2021, at an annual and special meeting of securityholders of Meta (the “**Meeting**”) the Arrangement was approved by an affirmative vote of (i) not less than 66 2/3% of the votes cast by the holders of Meta Shares present virtually or represented by proxy and entitled to vote at the Meeting, and (ii) not less than 66 2/3% of the votes cast by holders of Meta Shares, Options Warrants and DSUs on an as-converted to shares basis, all voting together as a single class, present virtually or represented by proxy and entitled to vote at the Meeting.

On March 17, 2021 Meta received a final order from the Ontario Superior Court of Justice (Commercial List) approving the Arrangement.

The Arrangement closed on June 28, 2021.

**3. Effective date of the transaction:**

The effective date of the transaction is June 28, 2021.

**4. Names of each party, if any, that ceased to be a reporting issuer subsequent to the transaction and of each continuing entity:**

Following the closing of the Arrangement, Meta became a wholly owned subsidiary of MMI. Meta has submitted an application to the Ontario Securities Commission to cease to be a reporting issuer under the securities laws of each of the jurisdictions in which it is reporting. In addition, following the closing of the Arrangement, MMI and Canco have become reporting issuers in the provinces of British Columbia, Alberta, Ontario and Quebec.

**5. The date of the reporting issuer's first financial year-end subsequent to the transaction:**

The date of MMI's and Canco's first financial year end following the closing of the Arrangement will be December 31, 2021.

**6. The periods, including the comparative periods, if any, of the interim and annual financial statements required to be filed for the reporting issuer's first financial year after the transaction:**

Canco is exempt from the requirement to file financial statements pursuant to Section 13.3 of National Instrument 51-102 ("NI 51-102") and will satisfy its continuous disclosure obligations under NI 51-102 by relying on the continuous disclosure documents filed by MMI. MMI will file annual financial statements for the year ending December 31, 2021 and all applicable interim financial statements that are required as a result of having a December 31 year end.

**7. The documents filed under NI 51-102 that described the transaction:**

The terms of the Arrangement are described in the following documents:

- News releases dated December 14, 2020, December 18, 2020, February 8, 2021, March 8, 2021, March 12, 2021, March 18, 2021 and June 28, 2021
- Arrangement Agreement
- Material change reports dated December 22, 2020, March 1, 2021 and July 5, 2021
- Management Information Circular of Meta dated February 9, 2021

July 5, 2021