

EESTOR CORPORATION

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

EEStor Corporation
21 St. Clair Avenue, East, Suite 301
Toronto, Ontario M4T 1L9

2. Date of Material Change

January 21, 2019

3. News Release

Press release attached as Schedule A hereto was released through the facilities of the GlobeNewswire disclosure network on January 21, 2019.

4. Summary of Material Change

On January 21, 2019 EEStor Corporation (the “Company”) entered into a loan agreement with significant shareholder Dr. Robert Tocchio (“Tocchio”) in connection with a secured term credit facility of up to \$300,000 (the “Credit Facility”).

5. Full Description of the Material Change

See press release attached as Schedule A hereto.

Tocchio owns, directly and indirectly, 7.95% of the outstanding common shares of the Company (13.47% on a partially diluted basis assuming the exercise of all warrants owned directly or indirectly). As such, the provision of the Credit Facility is considered to be a “related party transaction” as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) and TSX Venture Exchange Policy 5.9 *Protection of Minority Security Holders in Special Transactions* (“Policy 5.9”). The transaction is however, exempt from the valuation and minority shareholder approval requirements of MI 61-101 and Policy 5.9 as neither the fair market value of the subject matter of, nor the consideration for the transaction, exceeded 25 percent of the Company’s market capitalization at the relevant time.

The proceeds from the Credit Facility will be used for working capital and general corporate purposes.

The terms of the Credit Facility were determined by negotiation between the Company and Tocchio. The board of directors of the Company did not consider an independent committee to be necessary in connection with the board's consideration of the Credit Facility as none of the directors of the Company was conflicted. The terms of the Credit Facility were not finalized until shortly prior to the execution of the loan agreement. The Company wished to secure the Credit Facility as soon as possible and therefore could not publicly disclose details at least 21 days in advance of closing.

The Credit Facility provides for the issuance to the lender of a maximum of 2,307,692 non-transferable warrants to acquire up to 2,307,692 common shares of the Company ("Bonus Warrants") if the full Credit Facility is drawn. Based on information provided by Tocchio to the Company, prior to the loan transaction he owned or controlled, directly or indirectly, 9,964,000 common shares, or approximately 7.95% of the issued and outstanding shares (13.47% on a partially diluted basis assuming the exercise of 7,992,333 share purchase warrants also held). Assuming the issue of all Bonus Warrants to Tocchio, he would own or control, directly or indirectly, 9,964,000 common shares, or approximately 7.95% of the issued and outstanding shares (14.95% on a partially diluted basis assuming the exercise of 10,300,025 share purchase warrants also owned, directly or indirectly).

6. Reliance on Confidentiality Provisions of Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officers

The following executive officer of EEStor Corporation may be contacted for additional information:

Kevin Spall
Chief Financial Officer
EEStor Corporation
21 St. Clair Avenue, East, Suite 301
Toronto, Ontario M4T 1L9

Tel: (416) 535-8395
Fax: (416) 535-4043

9. Date of Report

January 29, 2019

SCHEDULE A

January 21, 2019
EESstor Corporation
Toronto, Ontario, Canada
(TSXV: ESU)

EESTOR ANNOUNCES CREDIT FACILITY

Toronto, Ontario – January 21, 2019 – EESstor Corporation (“EESstor” or the “Company”) (TSX VENTURE:ESU) announced today that it has entered into a loan agreement for a secured credit facility of up to C\$300,000 from Dr. Robert Tocchio, a significant shareholder of the Company.

The credit facility is secured by a pledge of all of the Company’s shares in Zenn Capital Inc, the holding company which owns all of the Company’s equity interests in subsidiary, EESstor, Inc., as well as an assignment of loans made by the Company to EESstor, Inc. and related security. Draws under the credit facility bear interest at the rate of 6.0% per annum and must be repaid by January 21, 2020. The lender is entitled to elect to receive repayments of principal under the credit facility in common shares of the Company based on the market price at the time of repayment. As partial consideration for the provision of the credit facility, the Company has agreed to grant to the lender warrants to acquire up to 2,307,692 common shares, each warrant exercisable until January 21, 2020 at a price of C\$0.13 per share.

EESstor intends to use the funds available under the credit facility for working capital and general corporate purposes. The credit facility is subject to all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

Prior to the loan transaction, Dr. Tocchio owned, directly and indirectly, 9,964,000 common shares, or approximately 7.95% of the issued and outstanding shares (13.47% on a partially diluted basis assuming the exercise of all warrants owned directly or indirectly by him). If all warrants are issued to Dr. Tocchio in connection with the loan transaction, Dr. Tocchio would continue to directly and indirectly own 9,964,000 common shares, or approximately 7.95% of the issued and outstanding shares (but 14.95% on a partially diluted basis assuming the exercise of all warrants owned directly or indirectly by him).

By virtue of Dr. Tocchio’s securityholdings in the Company, the loan transaction is considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 (“MI 61-101”) and TSX Venture Exchange policy 5.9 (“Policy 5.9”). The transaction was however exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 and Policy 5.9, as neither the fair market value of the loan nor the consideration to be paid to the lender in connection with the loan exceeded 25% of the Company’s market capitalization at the relevant time. The terms of the loan were only recently agreed to and therefore the Company did not have sufficient time to announce the loan transaction at least 21 days prior to the entry into of the loan agreement.

About EESstor Corporation

EESstor is a developer of high energy density solid-state capacitor technology utilizing the Company’s patented Composition Modified Barium Titanate (CMBT) material. The Company is focused on licensing opportunities for its technology across a broad spectrum of industries and applications.

The Company’s success depends on the commercialization of its technology. There is no assurance that EESstor will be successful in the licensing of the technology. Readers are directed to the “Risk Factors” disclosed in the Company’s public filings.

For additional information please contact:

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