

TORCHLIGHT INNOVATIONS INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Reporting Issuer:**

Torchlight Innovations Inc. ("**Torchlight**" or the "**Company**")
2300, Bentall 5, 550 Burrard Street
Vancouver, British Columbia V6C 2B5

2. **Date of Material Change:**

August 8, 2022

3. **News Release:**

A news release announcing the material change was issued on August 8, 2022 and distributed through Newswire.

4. **Summary of Material Change:**

On August 8, 2022, Torchlight successfully completed its initial public offering (the "**Offering**"), raising gross proceeds of \$300,000 pursuant to the Company's final prospectus dated May 12, 2022 (the "**Prospectus**") by issuing an aggregate of 3,000,000 common shares in the capital of the Company (the "**Shares**") at a price of \$0.10 per Share.

5. **Full Description of Material Change:**

5.1 – Full Description of Material Change:

On August 8, 2022, Torchlight successfully completed the Offering, raising gross proceeds of \$300,000 pursuant to the Prospectus by issuing an aggregate of 3,000,000 Shares at a price of \$0.10 per Share.

Pursuant to the agency agreement dated May 12, 2022, Research Capital Corporation (the "**Agent**") acted as the agent for the Offering. In connection with the Offering, the Agent received a cash commission of \$30,000, a work fee of \$15,000 (plus GST) and an option to purchase up to 300,000 Shares at a price of \$0.10 per Share until August 8, 2024.

The Company is a "capital pool company" ("**CPC**") under the policies of the TSX Venture Exchange (the "**Exchange**") and intends to use the net proceeds of the Offering to identify and evaluate assets or businesses for acquisition with a view to completing a "Qualifying Transaction" under the policies of the Exchange. On August 4, 2022, the Exchange issued a bulletin announcing the listing of the Shares as of market open on August 8, 2022 and immediately halted trading pending completion of the Offering. The Shares will resume trading under the trading symbol "**TLX.P**" on or about August 10, 2022.

Upon closing of the Offering, the Company granted 550,000 stock options to its directors and officers which are exercisable until August 8, 2032 at an exercise price of \$0.10 per Share. Following the closing of the Offering, the Company now has 5,500,000 Shares issued and outstanding (2,500,000 of which are subject to escrow restrictions as disclosed in the Prospectus).

5.2 – Disclosure for Restructuring Transactions:

Not applicable.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102:

Not applicable.

7. Omitted Information:

No information has been omitted.

8. Executive Officer:

Fayyaz Alimohamed
Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Director
Telephone: (604) 999-4456

9. Date of Report:

August 8, 2022

Forward Looking Information

This Material Change Report contains statements about Torchlight's expectations regarding the completion of the application for listing, and the commencement of trading, on the Exchange that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as final listing approval from the Exchange. Although Torchlight believes that the expectations reflected in these forward-looking statements are reasonable as Torchlight assumes it will be able to fulfill the terms of the conditional listing approval granted by the Exchange, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include failure to fulfill conditions of listing and inability to obtain required regulatory approvals. The forward-looking statements contained in this Material Change Report are made as of the date hereof, and Torchlight undertakes no obligation to update publicly or revise any forward-looking statements or information, except as required by law.