

**Form 51-102F3**  
**Material Change Report**

**1. Name and Address of Company**

**Lightning Ventures Inc.**  
700-838 W Hastings Street  
Vancouver, BC, V6C 0A6

(the "Company")

**2. Dates of Material Change(s)**

February 14, 2018

**3. News Release(s)**

A news release was issued on February 22, 2018 and disseminated via Cision/CNW pursuant to section 7.1 of National Instrument 51-102.

**4. Summaries of Material Changes**

Lightning Ventures sells all issued and outstanding shares of Lightning Industries, Inc.

**5. Full Description of Material Changes**

News releases dated February 22, 2018 – See Schedule "A"

**6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**7. Omitted Information**

No information has been omitted.

**8. Executive Officer**

Mr. Donald Rainwater, President & CEO of the Company, is knowledgeable about the material change contained herein and may be reached at (210) 535-5700.

**9. Date of Report**

This report is dated February 22, 2018.

SCHEDULE "A"  
to the Material Change Report dated February 22, 2018

**Lightning Ventures Eliminates Balance Sheet Debt and Improves Economic Efficiency of Business Model**

VANCOUVER, CANADA, February 22, 2018 – Lightning Ventures Inc. (CSE: LVI) (the "Company") is pleased to announce that, as part of an overall effort to reduce debt and streamline operations, it has agreed to sell all of the issued and outstanding shares of its wholly-owned New Mexico subsidiary, Lightning Industries, Inc. (the "**Lightning Subco**"), to Titan Products, LLC, an unrelated limited liability company with offices in Overland Park, Kansas.

Lightning Subco's principal assets include its intellectual property and a small production facility located in Hobbs, New Mexico that was used during the development of the Company's Hot Trailer and Chemical Injection System but is not suitable for commercial production. These assets are highly leveraged – Lightning Subco's debt exceeds the value of its assets by more than \$1.4 million. As part of its effort to streamline operations, the Company has agreed to sell Lightning Subco to Titan Products and outsource commercial production of its products.

The Company's agreement with Titan Products, which is dated February 14, 2018, provides for a nominal cash purchase price of ten U.S. dollars and a license back to the Company of Lightning Subco's intellectual property. Closing of the sale is subject to customary conditions, including regulatory and stock exchange approval.

At Closing, Lightning Subco will grant to the Company an exclusive license to manufacture, distribute, sell and service the Hot Oil Trailer and Chemical Injection System in all countries, together with the exclusive right to patent these products anywhere in the world other than in the United States. In exchange, the Company has agreed to pay to Titan Products a royalty equal to three percent of gross sales revenue from sales in the United States. Management believes that the sale of Lightning Subco will result in the immediate reduction of the Company's debt (by approximately \$2.3 million), as well as overhead and operating costs.

**About Lightning Ventures**

Lightning Ventures Inc. is an oil and gas industrial services company engaged in the manufacture and sale of products intended to enhance efficiency and increase the production of oil and gas wells.

Further information about Lightning Ventures is available under its profile on the SEDAR website [www.sedar.com](http://www.sedar.com).

For further information on the Company, please contact:

**Donald Rainwater**  
Chief Executive Officer  
Lightning Ventures Inc.  
Telephone: 210-535-5700  
Email: [don@rainwater-investments.com](mailto:don@rainwater-investments.com)