FORM 51-102F3

Material Change Report

1. **Name and Address of Company:**

Zorro Capital Inc.
Suite 208 – 828 Harbourside Drive
North Vancouver, BC V7P 3R9

(the "Company")

2. **Date of Material Change:**

February 12, 2016

3. **News Release:**

A news release was disseminated on February 12, 2016 and was subsequently filed on SEDAR.

4. **Summary of Material Change:**

Zorro Capital Inc. (TSX Venture: ZOR.P) ("Zorro") further to its January 18, 2016 news release, announced that it has secured conditional approval from the TSX Venture Exchange (the "Exchange") to conclude its Qualifying Transaction ("QT") with Avanti Energy Inc. ("Avanti").

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

Zorro Capital Inc. (TSX Venture: ZOR.P) ("Zorro") further to its January 18, 2016 news release, announced that it has secured conditional approval from the TSX Venture Exchange (the "Exchange") to conclude its Qualifying Transaction ("QT") with Avanti Energy Inc. ("Avanti").

To conclude the QT, subject to ratification by Zorro's shareholders at a meeting scheduled for March 4, 2016 – Zorro has subscribed by way of subscription agreement for up to 2,000,000 units (the "Units") of Avanti at a per Unit price of $0.10 for gross proceeds of $200,000. Each Unit will consist of one common share in the capital of Avanti (an "Avanti Share") and one-half of one common share purchase warrant, each whole warrant (a "Warrant") will entitle Zorro to purchase one common share in the capital of Avanti at a per share price of $0.15 for a period of 12 months from the date of closing of the Private Placement. A total of up to 5,000,000 Units will be offered by Avanti under the Private Placement, which may close in one or more tranches, for total gross proceeds of up to $500,000. All securities issued by Avanti to Zorro in connection with the Private Placement will be subject to a statutory hold period of four months plus one day from the date of issuance of the securities in accordance with applicable securities legislation.

Upon completion of the Private Placement, Zorro will distribute the Avanti Shares and Warrants pro rata to its shareholders (the "Distribution") and thereafter apply to be delisted from the Exchange and be dissolved (the "Dissolution").

Information Circular Clarifications

On February 5, 2016, Zorro mailed the Notice of Annual General Meeting of Shareholders and the

Management Information Circular dated February 3, 2016, setting out the specific terms of the QT, general proxy related information, and information concerning Avanti before and after the QT. The meeting materials were also concurrently filed on the Canadian disclosure website www.sedar.com.

The Exchange has requested expanded disclosure and clarification, via this news release, regarding: (i) the treatment of Zorro Principal Shareholders' escrow shares upon the Distribution, and (ii) the fact that a technical report and related information is incorporated by reference into the Management Information Circular.

The five Principal Shareholders of Zorro will receive 918,000 Units of Avanti as their entitlement under the Distribution related to their holding of 2,550,000 Zorro shares in escrow. Once the Distribution is completed, 10% of the 918,000 Avanti Units held by the Zorro Principals will be released from escrow and 826,200 will be deposited into escrow on the identical terms to the original Zorro CPC escrow agreement. The 826,200 Avanti Units remaining in escrow will be released as to 15% in each of months 6, 12, 18, 24, 30, and 36 following final Exchange acceptance of the QT.

The QT will have no impact on the 1,575,000 Avanti shares held in escrow by certain Avanti shareholders related to an Avanti corporate transaction completed in May 2013. All of these Avanti shares are scheduled to be released from escrow on June 3, 2016.

In addition, Zorro wishes to clarify that the independent technical report prepared for Avanti by Chapman Petroleum Engineering Ltd., in respect of the Colle Santo Gas Concession and as referenced in the Management Information Circular, together with Form 51-101F1 dated April 27, 2015, are incorporated by reference into the Management Information Circular and available for review under Avanti's corporate profile on SEDAR.

Zorro and Avanti anticipate completing the Private Placement as soon as possible following receipt of the necessary Exchange and other regulatory approvals, after which Zorro will commence with steps in preparation for the Distribution and the subsequent Dissolution.

In accordance with Exchange policies, Zorro's common shares are currently suspended from trading and will remain suspended until the Transaction is completed and its common shares are delisted, or upon reinstatement of trading to NEX.

6. **Reliance on Subsection 7.1(2) of the National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer Knowledgeable of Material Change:**

Douglas Ford, Secretary
Telephone: (604) 904-8481

9. **Date of Report:**

February 12, 2016

ZORRO CAPITAL INC.

By: *"Douglas Ford"*

Secretary

(Official Capacity)

Douglas Ford

(Please print here name of individual whose signature appears above.)