

AT 25% OF MERGED COMPANY VALUE, TORCHLIGHT LOOKS TO BE WORTH ONLY \$0.35/SHARE

February 18, 2021



RESEARCH SUMMARY

- Torchlight Energy is engaging in a reverse merger, we believe because it has accepted that its assets are practically worthless.
 - The company it's combining with, Metamaterial, has no interest in TRCH's business or assets. It appears to only want the Nasdaq listing.
 - TRCH will sell its assets or spin them off before the business combination happens; the combined company will get none of TRCH's assets.
 - TRCH shareholders will get 25% of the combined company, which at MMATF's market cap, puts TRCH's current value at 35c per share, assuming its assets are worthless.
 - At TRCH's current share price, it is trading at a whopping 1050% premium to its arbitrage value.
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