

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Kadestone Capital Corp. (“**Kadestone**” or the “**Company**”)
1133 Melville Street, Suite 3500, The Stack
Vancouver, British Columbia V6E 4E5

Item 2 Date of Material Change

August 29, 2025

Item 3 News Release

News release was disseminated on September 2, 2025 through Newsfile and a copy was subsequently filed on SEDAR+.

Item 4 Summary of Material Change

On August 29, 2025, Kadestone entered into a purchase agreement (the “**Purchase Agreement**”) with Attollo Management Inc. (“**Attollo**”), a private development firm led by real estate executive David Negrin. Pursuant to the terms of the Purchase Agreement, Kadestone will acquire a subsidiary of Attollo that will own certain rights and interests in select real estate development projects for total consideration of C\$12 million, to be satisfied by the issuance of 12,000,000 common shares of Kadestone (the “**Consideration Shares**”) at a price of C\$1.00 per Consideration Share which will be subject to an escrow agreement and a time-based release schedule.

Item 5 Full Description of Material Change

Acquisition

On August 29, 2025, Kadestone entered into the Purchase Agreement with Attollo, a private development firm led by real estate executive David Negrin. Pursuant to the terms of the Purchase Agreement, Kadestone will acquire a subsidiary of Attollo that will own certain rights and interests in select real estate development projects for total consideration of C\$12 million (the “**Acquisition**”), to be satisfied by the issuance of the Consideration Shares at a price of C\$1.00 per Consideration Share which will be subject to an escrow agreement and a time-based release schedule.

The closing of the Acquisition (the “**Closing**”) is expected to occur by December 31, 2025 and by no later than June 30, 2026, subject to the satisfaction of customary closing conditions and the receipt of all required regulatory, TSX Venture Exchange (the “**TSX-V**”) and shareholder approvals. The Closing is conditional on, among other things, the parties entering into a binding definitive agreement, prior to the Closing Date, for one of two residential and mixed used real estate development projects (or both) located in the Greater Vancouver area that Attollo is in the process of negotiating. There can be no assurance that the Acquisition will be completed on the terms described herein or at all,

including whether a binding definitive agreement will be entered into for one or both of the aforementioned projects.

Once issued, all of the Consideration Shares will be subject to a statutory hold period expiring four months and one day following the date of issuance.

The Acquisition represents a significant milestone for Kadestone as it enhances the Company's pipeline of opportunities in the British Columbia real estate market with high-potential development assets strategically located in growth markets across British Columbia. It also builds on Kadestone's vision to develop innovative, community-focused real estate projects.

As part of the Acquisition, David Negrin will continue to ensure the transfer of all agreed upon assets and projects in Attollo which include a portfolio of real estate development projects across the Greater Vancouver region. The execution of these projects will be led by Kevin Hoffman, Kadestone's Chief Development Officer.

Related Party Transaction & Shareholder Consent

The Acquisition constitutes a "related party" transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), as David Negrin is a current director of the Company and will be the sole beneficial shareholder of Attollo on the Closing Date. The Purchase Agreement was unanimously approved by the board of directors of the Company (the "**Board**") (with the abstention of Mr. Negrin as an interested director) after taking into account, among other things, the unanimous recommendation of the special committee of the Board (the "**Special Committee**") comprised entirely of independent directors. The Special Committee and the Board (with the abstention of Mr. Negrin as an interested director) determined that the entrance into the Purchase Agreement is in the best interests of the Company and no materially contrary view was expressed nor was there any material disagreement between the Special Committee and the Board.

The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements under MI 61-101 as the Company expects that the Acquisition will be supported by an arm's length control person of the Company and other arm's length persons holding a majority of the voting shares of the Company.

In addition, the Company expects that David Negrin will beneficially own greater than 20% of the issued and outstanding common shares of Kadestone ("**Common Shares**") following the Closing and therefore will become a Control Person (as defined in the policies of the TSX-V).

As at the date hereof, David Negrin beneficially owns, directly and indirectly, or exercises control and direction over, an aggregate of 800,000 Common Shares and options to acquire up to an additional 300,000 Common Shares, representing approximately 1.70% of the current issued and outstanding Common Shares on a non-diluted basis and approximately 2.34% on a partially diluted basis. Following the Closing, the Company expects that David Negrin will beneficially own, directly or indirectly, or exercise control and direction over, an aggregate of 12,800,000 Common Shares and options to acquire up to an additional 300,000 Common Shares, representing approximately 21.72% of the then issued and outstanding Common Shares on a non-diluted basis and approximately 22.23% on a

partially diluted basis. Therefore, in accordance with the TSX-V policies for the creation of a new Control Person, the Company intends to obtain the written consent of disinterested shareholders holding more than 50% of the current issued and outstanding Common Shares (the “**Shareholder Consent**”) prior to the Closing, which Shareholder Consent will exclude any votes held by Mr. Negrin and his Affiliates and Associates (each as defined in the TSX-V policies).

Item 6 Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

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Chief Financial Officer
Tel: 604-671-8142
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Item 9 Date of Report

September 5, 2025