

**51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Forte Group Holdings Inc. (the “**Company**”)  
1108 West 8th Ave.  
Vancouver, BC V6H 4C8

**Item 2 Date of Material Change**

February 6, 2025

**Item 3 News Release**

The news release dated February 7, 2025 was disseminated via Accesswire.

**Item 4 Summary of Material Change**

The Company announced that, effective February 6, 2025, it has closed its previously announced non-brokered private placement for common shares of the Company (each, a “**Common Share**”) at a price of \$0.60 per Common Share for aggregate gross proceeds of \$375,000 for a total of 624,999 Common Shares (the “**Offering**”).

The Company has also restructured its Audit Committee, appointing Dallas Pretty to replace John Campbell, effective February 4, 2025. The committee now comprises Mr. Howard Blank (Chair), Mr. Dallas Pretty, and Mr. Richard Coleman.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

The Company announced that, effective February 6, 2025, it has closed its previously announced non-brokered private placement for Common Shares of the Company at a price of \$0.60 per Common Share for aggregate gross proceeds of \$375,000 for a total of 624,999 Common Shares.

The Company intends to use approximately \$45,000 of the proceeds raised from the Offering for general working capital purposes, and approximately \$330,000 for current and anticipated payables.

No finder’s fees were payable in connection with the Offering. All Common Shares issued in connection with the Offering are subject to a restricted period of four months and one day, expiring on June 7, 2025.

**Audit Committee Changes**

The Company has also restructured its Audit Committee, appointing Dallas Pretty to replace John Campbell, effective February 4, 2025. The committee now comprises Mr. Howard Blank (Chair), Mr. Dallas Pretty, and Mr. Richard Coleman.

**MI 61-101 Requirements**

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

*(a) a description of the transaction and its material terms:*

See Item 4 above for a description of the Offering.

*(b) the purpose and business reasons for the transaction:*

See Item 4 above for the description of the use of proceeds.

(c) *the anticipated effect of the transaction on the issuer's business and affairs:*

The Company does not anticipate any material effect on the Company's business and affairs.

(d) *a description of:*

a. *the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:*

Marcello Leone, an officer and a director of the Company, was issued 28,333 Shares for proceeds of \$17,000.

b. *the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:*

The following table sets out the effect of the Private Placement on the percentage of securities of the Company beneficially owned or controlled by Mr. Leone:

Name and Position	Dollar Amount of Shares	Number of Securities	No. of Securities Held prior to the Issuance	Percentage of Issued and Outstanding Securities prior to the Issuance	No. of Securities Held After the Issuance	Percentage of Issued and Outstanding Securities After the Issuance
Marcello Leone <i>Officer and Director</i>	\$17,000	28,333 Shares	Undiluted: 1,204,344 <sup>(1)</sup>	Undiluted: 7.15% <sup>(3)</sup>	Undiluted: 1,232,677 <sup>(5)</sup>	Undiluted: 7.05% <sup>(7)</sup>
			Diluted: 1,555,073 <sup>(2)</sup>	Diluted: 9.04% <sup>(4)</sup>	Diluted: 1,583,406 <sup>(6)</sup>	Diluted: 8.88% <sup>(8)</sup>

(1) Comprised of: (i) 984,177 Shares held directly, and (ii) 220,167 Shares held indirectly in the name of Chili Ventures Inc. ("Chili"), a company wholly-owned and controlled by Mr. Leone.

(2) Comprised of: (i) 984,177 Shares held directly; (ii) 220,167 Shares held indirectly in the name of Chili, (iii) 280,729 share purchase warrants ("each, a "Warrant") held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.60 per Share until June 19, 2026, and (iv) 70,000 Warrants held indirectly in the name of Chili, each of which is exercisable into one Share, exercisable at a price of \$0.60 per Share until June 19, 2026.

(3) Based on 16,840,065 Shares outstanding prior to the completion of the Offering on February 6, 2025.

(4) Based on 17,190,794 Shares comprised of: (i) 16,840,065 Shares outstanding prior to the Offering; (ii) 280,729 Warrants held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.60 per Share until June 19, 2026, and (iv) 70,000 Warrants held indirectly in the name of Chili, each of which is exercisable into one Share, exercisable at a price of \$0.60 per Share until June 19, 2026.

(5) Comprised of: (i) 1,012,510 Shares held directly, and (ii) 220,167 Shares held indirectly in the name of Chili.

(6) Comprised of: (i) 1,012,510 Shares held directly, (ii) 220,167 Shares held indirectly in the name of Chili, and (iii) all of the convertible securities of the Company set out in footnote (2) above.

(7) Based on 17,465,064 Shares outstanding after the completion of the Offering on February 6, 2025.

(8) Based on 17,815,793 Shares comprised of: (i) 17,465,064 Shares outstanding after completion to the Offering; (ii) 280,729 Warrants held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.60 per Share until June 19, 2026, and (iv) 70,000 Warrants held indirectly in the name of Chili, each of which is exercisable into one Share, exercisable at a price of \$0.60 per Share until June 19, 2026.

(e) *unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special*

*committee:*

Mr. Leone abstained from voting on the resolution of the board of directors approving the Offering as it related to his respective subscription. A special committee was not established in connection with the approval of the Offering, and no materially contrary view or abstention was expressed or made by any director.

- (f) *a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable.

- (g) *disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

- a. *that has been made in the 24 months before the date of the material change report:*

Not applicable.

- b. *the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

- (h) *the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

See Section 5.1(d).

- (i) *disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

MI 61-101 requires that issuers obtain a formal valuation and minority shareholder approval of related party transactions, unless an applicable exemption is available. The Offering was exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in (i) Section 5.5(a) of MI 61-101 in that the fair market value of the Offering insofar as it involves interested parties did not exceed 25% of the Company's market capitalization and (ii) section 5.5(b) of MI 61-101 as the Company's Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 in that the fair market value of the Offering did not exceed 25% of the Company's market capitalization.

The Company did not file a material change report 21 days prior to closing of the Financing as the Company was not aware of all details of the insider participation in the Financing until just before closing.

## 5.2 *Disclosure for Restructuring Transactions*

N/A

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

N/A

**Item 7 Omitted Information**

None

**Item 8 Executive Officer**

Dallas Pretty, Chief Financial Officer  
Telephone: 604-889-1060

**Item 9 Date of Report**

February 12, 2025