

**FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102**

Item 1 Name and Address of Company

ICESoft Technologies Canada Corp (the “Company”)
Suite 340, 600 Crowfoot Cres. NW
Calgary, AB, T3G 0B4

Item 2 Date of Material Change

August 29, 2024

Item 3 News Release

News releases were disseminated through the services of Newsfile Corp. on August 29, 2024 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company announced the close of a non-brokered secured convertible promissory note financing for proceeds of \$220,000.00 CAD (the “Debt Financing”). Issued promissory notes include a conversion feature which allows the holders at their discretion to exchange the notes for common A voting shares at \$0.05 per share. If fully exercised the conversion would result in the issuance of 4,400,000 Common A voting Shares plus any carried interest. If all interest during the 3-year term is accrued, carried and converted, the conversion could result in the issuance of 6,380,000 common A voting shares.

Item 5 Full Description of Material Change

The Company announced the close of a Debt Financing round for proceeds of \$220,000 CAD. Issued promissory notes include a conversion feature which allows the holders at their discretion to exchange the notes for common A voting shares at \$0.05 per share. If fully exercised would result in the issuance of 4,400,000 Common A voting Shares plus any carried interest. If all interest during the 3-year term is accrued, carried and converted, the conversion could result in the issuance of 6,380,000 common A voting shares.

Two directors are participating in the Debt Financing – Mr. Brian McKinney CEO, and Mr. Francis Shen. Brian McKinney CEO of the Company, is purchasing, as an individual, \$120,000 of the secured convertible notes, Shen Capital Fund I L.P. of which Mr. Shen is President of its General Partner, is purchasing \$100,000 of the secured convertible notes. Mr. McKinney and Mr. Shen are considered a “related party transactions” within the meaning of Multilateral Instrument 61 101 (“MI 61 101”).

Mr. McKinney owned or controlled 10,088,821 Common Shares, Warrants to purchase 2,000,000 Common Shares, and \$250,000 worth of Secured Convertible Notes bearing simple interest of 15% per annum for a 3 year term, which would be

convertible into a maximum of 7,250,000 Common Shares at the maturity date of the note and assuming all accrued interest through term of the note are converted, being 9.0% of the issued and outstanding Common Shares prior to the Debt Financing and 15.9% assuming conversion or exercise of all securities owned or controlled by Mr. McKinney. Following the Debt Financing Mr. McKinney owns or controls 10,088,821 Common Shares, Warrants to purchase 2,000,000 Common Shares, and \$370,000 worth of Secured Convertible Notes bearing simple interest of 15% per annum for a 3 year term, which would be convertible into a maximum of 10,730,000 Common Shares at the maturity date of the note and assuming all accrued interest through term of the note are converted, being 9.0% of the issued and outstanding Common Shares prior to the Debt Financing and 18.3% assuming conversion or exercise of all securities owned or controlled by Mr. McKinney.

Mr. Shen owned or controlled 26,000,000 Common Shares, Warrants to purchase 26,000,000 Common Shares, and CAD \$350,000.00 worth of Notes bearing simple interest of 15% per annum for a three year term which would be convertible into a maximum of 10,150,000 Common Shares at the maturity date of the Notes, assuming all interest from the Notes is carried and converted, being 23.2% of the issued and outstanding Common Shares prior to the Debt Financing and 37.6% assuming conversion or exercise of all securities owned or controlled by Mr. Shen. Following the Debt Financing Mr. Shen owns or controls 26,000,000 Common Shares, Warrants to purchase 26,000,000 Common Shares, and CAD \$450,000.00 worth of Notes bearing simple interest of 15% per annum for a three year term which would be convertible into a maximum of 13,050,000 Common Shares at the maturity date of the Notes, assuming all interest from the Notes is carried and converted, being 23.2% of the issued and outstanding Common Shares and 43% assuming conversion or exercise of all securities owned or controlled by Mr. Shen.

No finder's fees will be paid with respect to the completion of the Debt Financing. Net Proceeds are expected to be \$220,000 less transaction closing costs.

In conducting their review and approval process of the Debt Financing, the board of directors of the Company determined that the preparation and distribution of a formal valuation and the seeking of shareholder approval for, and in connection with, the Debt Financing was not necessary under MI 61 101 because: (a) for the purposes of Sections 5.5(b) and 5.7(1)(a) of MI 61 101, no securities of the Company are listed on a Specified Market, (b) and at the time the related party transactions were agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the related party transactions, exceeded 25 per cent of the Company's market capitalization; and (c) the disinterested directors of the Company (i.e., those other than Mr. Shen, and Mr. McKinney) have all approved the Debt Financing. The material change report in relation to the related party transactions was not filed less than 21 days before the closing date of the Debt Financing as the Company wished to complete the Debt Financing as soon as commercially feasible.

The securities issued pursuant to the Debt Financing will be subject to a hold period under applicable securities laws, which will expire four months plus one day from

the date of the applicable closing of the Debt Financing. Closing of the Debt Financing is subject to receipt of all necessary corporate and regulatory approvals, including approval of the Canadian Securities Exchange.

THIS REPORT, REQUIRED BY APPLICABLE CANADIAN LAWS, IS NOT FOR DISTRIBUTION TO U.S. NEWS SERVICES OR FOR DISSEMINATION IN THE UNITED STATES, AND DOES NOT CONSTITUTE AN OFFER TO SELL SECURITIES AND THE COMPANY IS NOT SOLICITING AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS REGISTERED OR EXEMPT THEREFROM.

Forward-Looking Information Advisory

Certain statements made herein may contain forward-looking statements or information within the meaning of the applicable Canadian securities laws. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements or information herein include, but are not limited, to statements or information with respect to the completion of the Debt Financing, and the use of proceeds of the Debt Financing.

Forward-looking statements and forward-looking information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. We have made certain assumptions about the forward-looking statements and information, including receipt of all approvals required for the Debt Financing and the use of proceeds of the Debt Financing. Although our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate. Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors include the ability to receive the approvals necessary to complete the Debt Financing, and those factors discussed in the section entitled “Risk Factors” in the Company’s Listing Statement dated May 27, 2019 and in the Company’s most recent Management Discussion and Analysis filed on SEDAR.

There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those

anticipated in such statements. Accordingly, you should not place undue reliance on the forward-looking statements or information contained herein. Except as required by law, we do not expect to update forward-looking statements and information continually as conditions change and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada.

All forward looking statements and information contained in this Report are qualified by this cautionary statement.

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

This report is not being filed on a confidential basis.

Item 7 Omitted Information

No material information has been omitted.

Item 8 Executive Officer

Brian McKinney, President & CEO, (403) 663-3322

Item 9 Date of Report

August 29, 2024