

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

**ITEM 1      Name and Address of Company**

Reco Southern Alberta Inc.  
#100, 2051 Viceroy Place  
Richmond, BC V6V 1Y9

**ITEM 2      Date of Material Change**

March 20, 2025

**ITEM 3      News Release**

News Release dated March 20, 2025 was issued and disseminated on March 20, 2025 through the services of Stockwatch and filed that same date on SEDAR+.

**ITEM 4      Summary of Material Change**

Reco Southern Alberta Inc. (the “**Company**”) announced that its Board of Directors has decided, after careful consideration, to pursue the voluntary dissolution (the “**Dissolution**”) and wind up of the Company in accordance with the *Business Corporations Act (Alberta)*, subject to shareholder approval to be sought at the annual general and special meeting of shareholders to be held on April 30, 2025 (the “**Meeting**”). Shareholder approval for the Dissolution will be sought and must be approved by a special resolution of at least 66 2/3% of the votes cast by shareholders present in person or by proxy at the Meeting. If approved, the Company will submit a statement of intent to dissolve, notify the relevant securities commissions and therefore cease to be a reporting issuer, cease operations, fulfill regulatory and tax obligations, notify creditors of the Dissolution and dissolve the company and cease to exist. As the Company’s liabilities exceed its assets, there will be no distribution to shareholders.

**ITEM 5      Full Description of Material Change**

Reco Southern Alberta Inc. (the “**Company**”) announced that its Board of Directors has determined, after careful consideration of potential alternatives, that it is in the best interests of the Company and its shareholders to voluntarily dissolve and wind up the Company (the “**Dissolution**”). Notwithstanding the foregoing, the necessary shareholder approvals for the Dissolution will be sought at the upcoming shareholders meeting (see below).

**Shareholder Approval**

The Board has called an annual general and special meeting of shareholders to be held on April 30, 2025 (the “**Meeting**”), at which time the shareholders will, among other things (including annual meeting matters), vote on a special resolution regarding the voluntary dissolution of the Company in accordance with the *Business Corporations Act (Alberta)* (the “**ABCA**”). Shareholder approval for the Dissolution will be sought and

must be approved by a special resolution of at least 66 2/3% of the votes cast by shareholders present in person or by proxy at the Meeting.

Notwithstanding the receipt of requisite shareholder approval of the Dissolution, the Board will retain the discretion not to proceed if it determines that the Dissolution is no longer in the best interests of the Company and its shareholders. For example, if, prior to its Dissolution the Company receives an offer for a transaction that will, in the view of the Board, provide value to the shareholders, taking into account all factors that could affect valuation, including timing and certainty of payment or closing, proposed terms and other factors, the Dissolution could be abandoned in favour of such a transaction.

Proxy materials for the Meeting, comprised of the notice of meeting, management information circular (the "**Circular**") and instrument of proxy, describing the proposed Dissolution of the Company will be mailed out prior to the meeting. Shareholders of the Company are encouraged to read the Circular as it will contain important information about the reasons for the proposed Dissolution and the Dissolution process. A copy of the Circular will be available at [www.sedarplus.ca](http://www.sedarplus.ca) after the proxy materials are mailed to the shareholders in accordance with applicable laws.

### **Dissolution Process and Distribution**

Upon receipt of required shareholder approvals and any required regulatory approvals, it is expected that the Company will proceed by:

- submitting a statement of intent to dissolve to the corporate registrar pursuant to the ABCA;
- notifying the relevant securities commissions and therefore cease to be a reporting issuer;
- ceasing business operations, except as needed for the Dissolution;
- attending to necessary tax filings;
- notifying creditors of the Dissolution; and
- dissolving the Company and ceasing to exist.

If necessary, the Board may consider a Court-supervised Dissolution or an alternative statutory process.

As the Company's liabilities exceed its assets, there will be no distribution to shareholders.

Further details regarding the timing of and process of the Dissolution will be included in the proxy materials and in future press releases, as required by applicable laws.

### **Reporting Issuer Status**

The Company is currently a reporting issuer in Alberta and British Columbia. If the Dissolution is approved, it is expected that concurrently with the Dissolution, the Company will apply to the relevant securities commissions to cease to be a reporting issuer.

**ITEM 6            Reliance on Subsection 7.1(2) of National Instrument 51-102**

None

**ITEM 7            Omitted Information**

Not Applicable

**ITEM 8            Executive Officer**

Mr. Hugh Zhen  
President & CEO  
Telephone: (604) 273-2932

**ITEM 9            Date of Report**

March 20, 2025