Regent Pacific Properties Inc. Provides Corporate Update

November 2, 2022

For Immediate Release

Edmonton, Alberta – Regent Pacific Properties Inc. (TSXV: “RPP”) (“Regent” or the “Company”) provides an update (pursuant to TSXV policies) that on December 24, 2021, the Company entered into a purchase contract (the “Contract”) to acquire ten (10) condominium units situated in the “Connaught at Griesbach” project which is located in the Griesbach neighbourhood of Edmonton, Alberta (the “Griesbach Units”). In connection with the proposed acquisition of the Griesbach Units, the Company assigned a promissory note to the seller in satisfaction of the deposit for the Contract.

Assignment of the Promissory Note

By way of background on November 16, 2016, the Company and Silhouette at Carlton Ltd. (which is owned 50% by the CEO, director and majority shareholder of Regent) (“Silhouette”) entered into an agreement whereby the Company advanced $1,026,154 to Silhouette as a deposit towards agreements for sale (“Agreements”) for the purchase of fifteen (15) condominium units from Silhouette at a fixed price. The Agreements which were subject to financing, were subsequently amended on June 30, 2019 and June 30, 2020 which extended the closing date to September 30, 2020; however, the Company and Silhouette were unable to secure suitable financing by that date and consequently the Agreements did not proceed and lapsed without the conditions being satisfied.

Subsequently, the Company and Silhouette agreed that the deposit previously provided by the Company would become a credit for future use in the form of an unsecured promissory note provided by Silhouette (the “P-Note”). The principal of the P-Note was $1,227,070, bearing an interest rate of five percent (5%) per annum and with a maturity date of September 29, 2022. On October 1, 2020, the P-Note was amended to be payable on demand with no set maturity date.

On December 24, 2021, the Company entered into the Contract and in satisfaction of the deposit, assigned the P-Note to the seller of the Griesbach Units in the amount of $1,303,888 on December 31, 2021, which represented the principal balance together with the accrued and unpaid interest at the time.

Proposed Acquisition of the Griesbach Units

On December 24, 2021, the Company as purchaser and 1784338 Alberta Ltd. as seller (which is indirectly majority owned by the CEO, director and majority shareholder of Regent) entered into the Contract whereby the initial deposit of $1,303,888 was paid on December 31, 2021 by the assignment of the P-Note to 1784338 Alberta Ltd. The total purchase price is $3,229,762 with the remaining amount of $1,925,874 due on January 31, 2023, or as mutually extended by the parties.

The Contract is subject to the following conditions to be satisfied by December 31, 2022, or as mutually extended by the parties:

- securing satisfactory financing on suitable terms and conditions;
- obtaining TSXV conditional acceptance as a Reviewable Transaction in accordance with TSXV policies;
- receiving all other necessary regulatory and securities commissions approvals, if any; and
- receiving all necessary shareholder approvals, as required.

The Contract is considered a “related party transaction” pursuant to the policies of the TSXV and Multilateral Instrument 61-101, *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as Mr. Eddie Yu (the “Related Party”) is the CEO, director and majority shareholder of Regent and indirectly owns the majority of the common voting shares of 1784338 Alberta Ltd., The Contract will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101. In particular, the Company has determined that the exemptions set out in paragraph (b) in section 5.5 of MI 61-101 is applicable since the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange. In addition, regarding the minority shareholder approval exemptions, the independent directors have determined that the exemptions set out in paragraphs (1)(b) in section 5.7 of MI 61-101 is applicable in that the distribution of the securities to the Related

Party has a fair market value of not more than $2,500,000 and the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange.

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