FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Corporation

The Limestone Boat Company Limited (the "**Company**")
65A Hurontario Street
Collingwood, ON L9Y 2L7

Item 2. Date of Material Change

May 14, 2024 and May 24, 2024

Item 3. News Release

News releases with respect to the material changes referred to in this report were issued by the Company and disseminated on May 14, 2024 and May 24, 2024 through Accesswire and filed under the Company's profile on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

The Company announced that it has provided a notice of default under its trust indenture, dated May 14, 2021, (the "**Indenture**") between Limestone and TSX Trust Company, as trustee, (the "**Indenture Trustee**") in connection with the Company's failure to make the interest and principal payment due on the issued and outstanding debentures (the "**Debentures**") issued under the Indenture. The Company would also like to provide an update regarding business operation in its St Stephen, New Brunswick Manufacturing Facilities.

The Company announced that it has provided notice of an additional default to the Indenture Trustee under the Indenture, in connection with the Company's failure to make the interest and principal payment due under the Indenture on May 14, 2024. As previously disclosed, it is the intention of the Company to convert all of the outstanding principal due under the Debentures, plus accrued and unpaid interest, into common shares of Limestone at the conversion price of $0.071 which was approved at a meeting of the Debenture holders in July 2023.

On May 24th the Company implemented cost savings measures, including the layoff of approximately 27 employees and the temporary curtailment of operations at its manufacturing facility in St Stephen, New Brunswick. The Company has made these difficult and strategic decisions to preserve its sustainability in the interests of all of its stakeholders. The Company is actively pursuing liquidity options to strengthen its working capital, including from its royalty financing partner. Limestone remains committed to continuing its long-term operations in St Stephen, NB. The Company is targeting resuming production this fall, subject to receiving financing.

Item 5. Full Description of Material Change

Limestone's New Brunswick management team of experienced boatbuilders, marine designers and engineers, and quality assurance specialists continue to be focused on the resumption of manufacturing operations in its St. Stephen, NB facilities and are working towards seeing its first MY2025 production boats roll out the door to its dealers later this year due to the following steps taken last week.

The Company’s upgrades to existing tooling for the L200CC and L200R models, including improved quality and production efficiencies, and the new L290DC and L200R EV tooling, are progressing and expected to align with the Company’s resumption of serial production this fall.

Throughout the suspension of manufacturing operations, the Company's dealer partners have remained supportive with over a dozen additional dealers having expressed interest in the Limestone model lineup and Limestone's outboard power configurations as capacity increases in the months ahead.

Item 5.2 Disclosure of Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Scott Hanson
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Item 9. Date of Report

May 28, 2024