



Keastone

23 FEB 2022

RE: Divestment Clarification

TO: Keastone, Inc. Investment Brokers

It has come to my attention that it would be of benefit for me to offer clarification regarding the topic of Keastone, Inc. stock divestment.

I verbally and in documented format share the relevant details and occasional Keastone investor issues/concerns with key stakeholders as well as legal counsel. I do this because it is my responsibility to make them aware of potentially consequential stakeholder issues/concerns and to ensure that my responses/interactions are in alignment with what they believe to be appropriate in terms of consistent management of all stakeholders, as well as being within the boundaries of regulatory and legal considerations.

I do not and cannot consider individual requests for divestment as unique/individual requests. I must consider such requests in the context of consistently managing over 300 stakeholders in Keastone, Inc. I also must consider them within the construct of applicable regulatory and legal parameters for a US corporation. I am committed and bound to act within the confines of that context and those parameters.

A Keastone investor purchases stock in a US corporation. Because the stock purchase is in a US corporation, US regulatory guidelines, primarily via the SEC (Securities & Exchange Commission), dictate what can be done with that stock. Generally, the mechanics available to divest/sell Keastone stock are:

- 1) Keastone secures SEC authorization to trade stock via an opt-out agreement with an investor in a new/future formally defined financing round,**
- 2) Keastone executes an IPO (Initial Public Offering) becoming a publicly traded stock entity,**
- 3) Keastone exits in whole via an acquisition.** Keastone has committed to lobbying that its Series-A (Round 3) investor provide an opt-out option to current Keastone, Inc. stakeholders. Series-A (Round 3) is targeted for the first half of 2022. (This target has a degree of variability due to the unpredictable impact of the ongoing pandemic...)

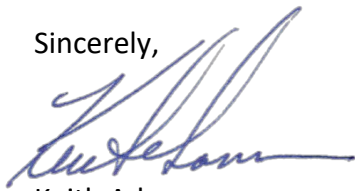
A Keastone investor is not "lending" money to Keastone. Currently, an investor request to be "repaid" or to "divest" is technically not possible given the regulatory and legal construct, (stated above), to which Keastone, Inc. is bound. And even if it were technically possible, Keastone would likely not accommodate the request due to considerations related to the management of the overall stakeholder group. At this point, the only capital/cash available in Keastone is invested capital. Stakeholders did not, and do not, invest in Keastone for those funds to be used to pay other investors. They invested for those funds to be applied to moving Keastone forward toward a future return on investment. The key stakeholders in Keastone, Inc. are in complete agreement with the Keastone executive team on this point of disposition.

Keastone is not managed in a vacuum. The Keastone executive team interacts with and consults at a very detailed level with key stakeholders, legal counsel and a host of other persons who have a vested interest in Keastone and are clearly committed to helping enable its success. The Keastone founders' bond with that circle of individuals is very solid after several years of mutual commitment and trust that has been established through having tirelessly worked together to ensure that Keastone ultimately succeeds. There is NOTHING unusual about the journey Keastone has been on as an early-stage venture. The cash flow challenges due to huge swings in funding. The team challenges. The ups and downs of the economy. The constant and daunting challenge of trying to manifest a vision and product concept into reality. Etc. When an early-stage venture prevails, the ROI is HUGE because the risks taken to get to that success were huge for everyone involved.

It weighs heavily on me as Co-Founder/CEO when any stakeholder in Keastone is dissatisfied. Keastone's stakeholders have made everything we are doing possible. I am always acutely aware of that simple fact. So, when I am aware of dissatisfaction, I genuinely try to address the dissatisfaction within the considerations and parameters available to me. Sometimes I'm successful in doing this, and sometimes not. What I minimally ask of all Keastone stakeholders is goodwill to ensure that we collectively have every possibility of succeeding.

I am 100% committed to every stakeholder in Keastone, Inc. I will continue to push forward doing everything possible to ensure that Keastone succeeds.

Sincerely,



Keith Adams
Co-Founder & CEO, Keastone

cc: Jeff Medeiros
Co-Founder, Keastone

Morrison & Foerster, LLP