

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

ITEM 1. NAME AND ADDRESS OF COMPANY

Pangea Natural Foods Inc. (the "**Company**")
Suite 8035 – 130th Street
Surrey, BC V3W 0H7

ITEM 2. DATE OF MATERIAL CHANGE

February 4, 2025

ITEM 3. NEWS RELEASE

Issued on February 4, 2025, and distributed through the facilities of The Newswire, and a copy was subsequently filed on SEDAR+.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company has completed a non-brokered private placement for gross proceeds of \$500,000. The financing involved the issuance of 20,000,000 common shares at a price of \$0.025 per share. The net proceeds of the private placement will be used for general corporate purposes and working capital.

In addition, the Company has completed its previously announced debt settlement, issuing an aggregate of 20,000,000 common shares at a price of \$0.025 per share to certain creditors in full and final settlement of outstanding indebtedness totaling \$500,000.

The private placement shares and the debt settlement shares will be subject to a statutory hold period of four months and one day from the date of issuance under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

As part of the debt settlement, the Company issued 5,720,000 common shares to Pratap Sandhu, the Chief Executive Officer, Interim Chief Financial Officer, and Corporate Secretary of the Company, and 2,520,000 common shares to a company controlled by Mr. Sandhu, for a total of 8,240,000 common shares in satisfaction of an aggregate of \$500,000 in outstanding debt. The participation of Mr. Sandhu in the debt settlement constitutes a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions ("MI 61-101"). The Company relied on exemptions from the formal valuation and minority shareholder approval requirements under sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the debt settled and the securities issued did not exceed 25% of the Company's market capitalization. A material change report was not filed 21 days before closing due to the late finalization of the debt settlement terms and the Company's decision to close the transaction on an expedited basis for sound business reasons.

Furthermore, the Company's Board of Directors has approved a share consolidation on a six (6) pre-consolidation shares for one (1) post-consolidation share basis. Following the consolidation, the Company's name and stock symbol will remain unchanged. No fractional

shares will be issued—any fractional share interest of 0.5 or higher will be rounded up to one whole share, while any fractional share interest of less than 0.5 will be cancelled.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

Please see the news release attached as Schedule “A” for a full description of the material change.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTION

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

Contact: Pratap Sandhu, Chief Executive Officer, Corporate Secretary and Director

Telephone: (604) 754-8069

ITEM 9. DATE OF REPORT

February 12, 2025

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DISSEMINATION IN THE UNITED STATES***

**Pangea Natural Foods Inc. Announces Closing of Private Placement and
Debt Settlement and Corporate Update**

VANCOUVER, BC, February 4, 2025 /CNW/ -- **Pangea Natural Foods Inc. (the 'Company' or 'Pangea')** (CSE: PNGA) (OTCQB: PNGAF), a manufacturer and co-packer of health food products, is pleased to announce that it has closed a private placement for gross proceeds of \$500,000.

Further to the Company's news release dated January 20, 2025, Pangea has closed a non-brokered private placement of 20,000,000 common shares of the Company at an issue price of \$0.025 per share for aggregate gross proceeds of \$500,000. The net proceeds of the offering are expected to be used for general corporate purposes and working capital.

Debt Settlement

The Company also announces that it has closed its previously announced debt settlement and has issued to certain creditors of the Company an aggregate of 20,000,000 common shares at an issue price of \$0.025 per share, in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of \$500,000.

The private placement shares and the debt settlement shares will be subject to a statutory hold period of four months and one day from the date of issuance under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

None of the foregoing securities have been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any applicable state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) or persons in the United States absent registration or an applicable exemption from such registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the foregoing securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Multilateral Instrument 61-101

Pursuant to the debt settlement, the Company has issued 5,720,000 common shares to Pratap Sandhu, the CEO, Interim CFO and Corporate Secretary of the Company, and 2,520,000 common shares to a company controlled by Mr. Sandhu, for a total of 8,240,000 common shares issued in satisfaction of an aggregate of \$206,000 in debt owing by the Company to Mr. Sandhu, constituting, to that extent, a “related party transaction” as defined under Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”). The Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval in connection with Mr. Sandhu’s participation in the debt settlement in reliance on sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the debt settlement nor the securities issued in connection therewith, in so far as the debt settlement involves Mr. Sandhu, exceeds 25% of the Company’s market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the debt settlement as the details of the debt settlement and the participation therein by Mr. Sandhu were not settled until recently and the Company wished to close on an expedited basis for sound business reasons.

Corporate Update

Pangea’s Board of Directors and management team has recommended and approved a consolidation of the Company’s issued and outstanding common shares on the basis of six (6) pre-consolidated common shares for one (1) post-consolidated common share. The company's name and stock symbol will remain the same after the consolidation. No fractional Shares will be issued as a result of the consolidation. Instead, any fractional share interest of 0.5 or higher arising from the consolidation will be rounded up to one whole share, and any fractional share interest of less than 0.5 will be cancelled.

"We are encouraged by the support from investors in this financing and believe cleaning up our balance sheet through the proposed share consolidation will position Pangea to explore expanding our product line and creating value for shareholders, while attracting additional capital investment," said Mr. Pratap Sandhu, Chief Executive Officer of Pangea.

Over the past several quarters, the Company has explored several new and exciting product development and acquisition opportunities in the natural and health foods, products and supplements space in order to expand the Company’s product offering and portfolio. The Company’s aim is to develop and/or acquire high-growth products that fit within the core tenets of Pangea’s business: providing consumers with high-quality, natural products that promote, health, longevity and sustainability. We look forward to providing additional updates on our product portfolio over the coming quarters.

About Pangea Natural Foods Inc.

Pangea Natural Foods Inc. is a food manufacturing company focused on manufacturing, co-packing and distributing high-quality plant-based food and health products across North America.

On Behalf of the Board of Directors

"Pratap Sandhu"

Pratap Sandhu

CEO, Interim CFO, Corporate Secretary and Director

For further information, please visit the Company's website at www.pangeafood.com or contact:

Pangea Natural Foods Inc.

Pratap Sandhu, Chief Executive Officer

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Forward-Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this news release contains forward-looking statements and information relating to the intended use of proceeds from the private placement, the proposed completion of a consolidation on a 6:1 basis, timing and receipt of the applicable regulatory, corporate and third-party approvals and other matters. The forward-looking statements and information are based on certain key expectations and assumptions made by the management of the Company. As a result, there can be no assurance that such plans will be completed as proposed or at all. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

These include, but are not limited to, the Company's ability to use the proceeds of the private placement as intended, the ability of the Company to complete the proposed consolidation, the ability of the Company to obtain sufficient financing to fund its business activities and plans, and the Company's ability to obtain the applicable regulatory, corporate and third party approvals of the consolidation. Other factors may also adversely affect the future results or performance of the Company, including general economic, market or business conditions, changes in the financial markets and changes in laws, regulations and policies affecting the Company's operations and the Company's limited operating history. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

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