

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Affinor Growers Inc. (“**Affinor**” or the “**Company**”)
250-750 W. Pender Street
Vancouver, BC
V6C 2T7

Item 2. Date of Material Change

October 10, 2024

Item 3. News Release

A news release dated October 10, 2024, was disseminated, and subsequently filed on SEDAR+.

Item 4. Summary of Material Change

The Company completed a non-brokered private placement (the “**Private Placement**”) of 2,580,000 units of the Company (the “**Units**”) at a price of \$0.05 per Unit to insiders of the Company (the “**Insiders**”) for aggregate gross proceeds of \$129,000 (the “**Offering**”). Each Unit consisted of one common share in the capital of the Company (a “**Share**”) and one Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one Share (a “**Warrant Share**”) at a price of \$0.10 per Warrant Share for a period of 24 months from the closing date of the Offering.

Additionally, the Company has settled an aggregate of \$7,923.29 of debt (the “**Debt**”) owed to Pavenham Development Corp. (the “**Creditor**” or “**Pavenham**”). In settlement of the Debt, the Company issued an aggregate of 158,466 Shares to the Creditor (the “**Settlement Shares**”) at a deemed price of \$0.05 per Settlement Share (the “**Debt Settlement**”).

The issuance of the Units to the Insiders and issuance of the Settlement Shares to the Creditor each constitutes a “related party transaction” as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company relied upon the exemption from valuation requirement and minority approval pursuant to subsection 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, for the issuance of the Units to the Insiders and the issuance of the Debt Settlement Shares to the Creditor as the deemed value of the Units and the deemed value of the Settlement Shares

did not represent more than 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Further to the Company's news release dated August 9, 2024, the Company completed the Private Placement of 2,580,000 Units at a price of \$0.05 per Unit to the Insiders for aggregate gross proceeds of \$129,000. Each Unit consisted of one Share and one Warrant. Each Warrant entitles the holder thereof to acquire one Warrant Share at a price of \$0.10 per Warrant Share for a period of 24 months from the closing date of the Offering. The Company intends to use the net proceeds raised from the Offering for administration fees and the production and development of strawberries.

Additionally, further to its news release dated September 26, 2024, the Company settled Debt owed to the Creditor. In settlement of the Debt, the Company issued an aggregate of 158,466 Settlement Shares to the Creditor at a deemed price of \$0.05 per Settlement Share.

The issuance of the Units to the Insiders and issuance of the Settlement Shares to the Creditor each constitutes a "related party transaction" as defined in MI 61-101. The Creditor is a related party of the Company who owns more than 10% of the Company's currently issued and outstanding common shares. Additionally, the Offering was fully subscribed for by three Insiders of the Company, including a director of the Company, an individual who holds more than 10% of the Company's issued and outstanding shares, and the Creditor.

The Company relied upon the exemption from valuation requirement and minority approval pursuant to subsection 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, for the issuance of the Units to the Insiders and the issuance of the Debt Settlement Shares to the Creditor as the deemed value of the Units and the deemed value of the Settlement Shares did not represent more than 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

The Insiders who subscribed for the Units included 1825864 Ontario Inc. (Ben Hogervost) a director of the Company ("**1825864 Ontario**"), Pavenham and Karim Mohamedani ("**Mohamedani**") who both own more than 10% of the Company's currently issued and outstanding common shares. Additionally, Pavenham was issued the Settlement Shares in the Debt Settlement.

All securities issued in connection with the Offering and the Debt Settlement are subject to a statutory hold period of four months and one day following the date of issuance in accordance with applicable Canadian securities laws.

Disclosure Required by MI 61-101

The following supplementary information is provided in accordance with section 5.2 of MI 61-101:

(a) a description of the transaction and its material terms

On October 10, 2024, the Company issued an aggregate of 2,580,000 Units to Mohamedani, 1825864 Ontario, and Pavenham. The Units were issued at a price of \$0.05 per Unit for aggregate gross proceeds of \$129,000. Additionally, on October 10, 2024, the Company issued 158,466 Settlement Shares to Pavenham at a deemed price of \$0.05 per Settlement Share.

(b) the purpose and business reasons for the transaction

The Company intends to use the net proceeds raised from the Offering for administration fees and the production and development of strawberries. The Debt Settlement related to outstanding amounts owed to Pavenham.

(c) the anticipated effect of the transaction on the issuer's business and affairs

The Private Placement and the Debt Settlement put the Company forward with an improved balance sheet as it continues to focus on the production and development of strawberries.

(d) a description of:

i. the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties

Immediately prior to the Private Placement, Mohamedani had beneficial ownership and control and direction over an aggregate of 3,411,175 Shares, representing approximately 9.2% of the issued and outstanding Shares of the Issuer on an undiluted basis. Following completion of the Private Placement, Mohamedani has beneficial ownership and control and direction over an aggregate of 4,411,175 Shares, representing approximately 11.1% of the issued and outstanding Shares on an undiluted basis. Mohamedani also has beneficial ownership and control and direction over (i) an aggregate of 1,000,000 Warrants as part of the purchase of the Units, entitling Mohamedani to purchase 1,000,000 Shares, and (ii) 2,955,975 previously issued Warrants (the "**Prior Warrants**") entitling Mohamedani to purchase 2,955,975 Shares. If Mohamedani exercises all of their Warrants and Prior Warrants they would have beneficial ownership and control and direction over 8,367,150 Shares, representing approximately 19.1% of the issued and outstanding Shares of the Issuer on a partially diluted basis.

Immediately prior to the Private Placement, 1825864 Ontario had beneficial ownership and control and direction over an aggregate of 1,907,165 Shares, representing approximately 5.13% of the issued and outstanding Shares of the Issuer on an undiluted basis. Following completion of the Private Placement, 1825864 Ontario has beneficial ownership and control and direction over an aggregate of 2,407,165 Shares, representing approximately 6.0% of the issued and outstanding Shares on an undiluted basis. 1825864 Ontario also has beneficial ownership and control and direction over (i) an aggregate of 500,000 Warrants as part of the purchase of the Units, entitling 1825864 Ontario to purchase 500,000 Shares, and (ii) 1,907,165 Prior Warrants entitling 1825864 Ontario to purchase 1,907,165 Shares. If 1825864 Ontario exercises all of its Warrants and Prior Warrants it would have beneficial ownership and

control and direction over 4,814,330 Shares, representing approximately 11.4% of the issued and outstanding Shares of the Issuer on a partially diluted basis.

Immediately prior to the Private Placement and the Debt Settlement, Pavenham had beneficial ownership and control and direction over an aggregate of 5,083,228 Shares, representing approximately 13.67% of the issued and outstanding Shares of the Issuer on an undiluted basis. Following completion of the Private Placement and the Debt Settlement, Pavenham has beneficial ownership and control and direction over an aggregate of 6,321,694 Shares, representing approximately 15.84% of the issued and outstanding Shares on an undiluted basis. Pavenham also has beneficial ownership and control and direction over an aggregate of 1,080,000 Warrants as part of the purchase of the Units, entitling Pavenham to purchase 1,080,000 Shares. If Pavenham exercises all of its Warrants it would have beneficial ownership and control and direction over 7,401,694 Shares, representing approximately 18.06% of the issued and outstanding Shares of the Issuer on a partially diluted basis.

- ii. *the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage*

The Private Placement resulted in an approximately (i) 1.9% change in the Mohamedani's ownership over the Shares of the Issuer on an undiluted basis, and (ii) 3.2% change in the Mohamedani's ownership over the Shares of the Issuer on a partially diluted basis.

The Private Placement resulted in 1825864 Ontario meeting the insider reporting threshold pursuant to Section 5.2(1) of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

The Private Placement and the Debt Settlement resulted in an approximately (i) 2.16% change in Pavenham's ownership over the Shares of the Issuer on an undiluted basis, and (ii) 4.38% change in Pavenham's ownership over Shares of the Issuer on a partially diluted basis.

- (e) *unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee*

Resolutions of the board of directors were passed which approved the Private Placement and Debt Settlement. No special committee was established in connection with the Private Placement and Debt Settlement.

- (f) *a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety*

in the material change report or will be included in its entirety in another disclosure document for the transaction

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:

- i. that has been made in the 24 months before the date of the material change report*
- ii. the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer*

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction

Other than the subscription agreements entered into with each of Mohamedani, 1825864 Ontario, and Pavenham, and the settlement agreement entered into with Pavenham, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Private Placement or the Debt Settlement. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Private Placement or the Debt Settlement.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions

The participation of the Insiders in the Private Placement and Debt Settlement each constitutes a related party transaction under MI 61-101. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the Insiders, exceeded 25% of the Company's market capitalization.

The Company did not file a Material Change Report in respect of the related party transactions at least 21 days before the closing of the Private Placement and the Debt Settlement, which the Company deems reasonable in the circumstances so as to be able to complete and avail itself of the proceeds of the Offering and to complete the Debt Settlement in an expeditious manner.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51–102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

The following executive officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted at:

Nick Brusatore
CEO
Telephone: (604) 356-0411
Email: nick@affinorgrowers.com

Item 9. Date of Report

October 18, 2024

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This material change report includes certain statements that may be deemed “forward-looking statements”. All statements in this material change report, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.