

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

**Item 1: Name and Address of Reporting Issuer**

Happy Belly Food Group Inc. (the “**Company**”)  
400-1681 Chestnut Street  
Vancouver, BC V6J 4M6

**Item 2: Date of Material Change**

February 23, 2024.

**Item 3: News Release**

A news release was issued and disseminated on February 23, 2024 and filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

**Item 4: Summary of Material Changes**

The Company announced that its non-brokered private placement (the “**Private Placement**”) of unsecured convertible debentures (the “**Debentures**”) previously announced on February 13, 2024 with a strategic investment fund, Trio Capital Group Inc. (“**Trio Capital Group**”) has now closed, raising proceeds of \$1,000,000.00 CDN. See Item 5 for further details.

**Item 5: Full Description of Material Change**

The Company announced that its Private Placement of Debentures previously announced on February 13, 2024 with a strategic investment fund, Trio Capital Group has now closed, raising proceeds of \$1,000,000.00 CDN.

Each Debenture has a principal amount of \$1,000, a 36-month term earning interest at the rate of twelve percent (12%) per annum split into two components:

- a) 6% interest will be paid in cash on a quarterly basis, and
- b) 6% interest will be deferred for the 36-month term until conversion of the debenture into common shares.

At any time following the Closing Date (defined below) if the ten (10) day daily moving average, being the average closing price of the common shares (the “**Shares**”) on the Canadian Securities Exchange for a period of ten (10) consecutive trading days, is greater than C\$1.00 per Share, the Company may, at its exclusive discretion, force the conversion of the aggregate Principal Amount, plus any accrued and unpaid interest, of the then outstanding Debentures on the same terms as applicable to the exercise of the conversion privileges by the holder, by providing each holder with 30 days’ written notice.

The conditions above come into affect on the closing, maturing on the date that is the third anniversary of the first date that the Debentures are issued (the “**Maturity Date**”) and are convertible at the holder's option into Shares of the Company after the closing date (the “**Closing Date**”), but prior to the Maturity Date, at a conversion price equal to C\$0.50 per Share, provided that any interest amounts owed, is also converted (the “**Conversion Price**”).

On the Maturity Date, any outstanding principal amount of the Debentures, plus any accrued and unpaid interest, shall be paid in cash and/or converted in accordance with the terms of the debenture. All securities issued in connection with the closing of the Private Placement are subject to a four-month and one-day statutory hold period in accordance with applicable securities laws. The proceeds of the Private Placement will be used for M&A purposes.

Although no broker fees or finders' fees were paid in the closing of the Private Placement, Trio Capital Group was issued 390,000 options at \$0.50 for a period of 2 years as part of the terms .

**Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7: Omitted Information**

N/A.

**Item 8: Executive Officer**

For further information, please contact:

**Happy Belly Food Group Inc.**

Contact: [shawn@happybellyfg.com](mailto:shawn@happybellyfg.com)

**Item 9: Date of Report**

February 23, 2024.