

FORM 51-102F3
Material Change Report

1. Name and Address of Company

Ritual Superfoods Inc. (the “**Company**” or “**Ritual**”)
151 West Hastings Street
Vancouver, BC V6B 1H4

2. Date of Material Change

September 10, 2021

3. News Release

The news releases were issued on September 10, 2021 through GlobeNewswire.

4. Summary of Material Change

The Company announced that it has closed its previously announced “bought deal” public offering and raised total gross proceeds of \$4,000,000 (the “**Offering**”).

5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has closed its previously announced Offering.

On August 24, 2021, the Company entered into an underwriting agreement for a public offering of units (“**Units**”) of the Company (the “**Offering**”) and on September 3, 2021, the Company obtained a receipt for its final prospectus (the “**Final Prospectus**”) filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario. The Offering was underwritten by Clarus Securities Inc. (the “**Underwriter**”). Each Unit consists of one common share of Ritual (a “**Common Share**”) and one-half Common Share purchase warrant. Each whole warrant (a “**Warrant**”) entitles the holder to purchase one Common Share of Ritual at a price of \$0.60 per Common Share until March 5, 2021, subject to an acceleration provision. Pursuant to the Offering, Ritual issued an aggregate of 8,000,000 Units at a price of \$0.50 per Unit, for total gross proceeds of \$4,000,000. The Company also granted an over-allotment option to the Underwriter to purchase an additional 1,200,000 Units at \$0.50 per Unit which may be exercised in whole or in part within 30 days of closing of the Offering.

The Warrants will be listed for trading on the Canadian Securities Exchange (the “**CSE**”) and will have identical terms to the currently listed Warrants trading under the ticker symbol RSF.WT. In the event that the Common Shares trade on the CSE at a price of \$1.20 or greater per Common Share for a period of 10 consecutive trading days following the closing of the Offering, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof, by disseminating a news release advising of the acceleration of the expiry date of the Warrants and, in such case, the Warrants shall expire on the 31st day after the date of such notice. The Warrants are governed by a warrant indenture dated March 5, 2021, as amended by a

supplemental warrant indenture dated September 10, 2021, between the Company and Odyssey Trust Company as warrant agent.

Clark Wilson LLP acted as legal counsel to Ritual and Borden Ladner Gervais LLP acted as legal counsel to the Underwriter.

No securities regulatory authority has either approved or disapproved the contents of this news release. This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Disclosure Required by MI 61-101

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), the Offering constitutes a “related party transaction” as related parties of the Company participated in the Offering.

Scott Eldridge, a director of the Company, participated in the Offering, whereby Mr. Eldridge acquired 40,000 Units at a price of \$0.50 per Share for proceeds of \$20,000. As such, a portion of the Offering was a “related-party transaction” as such term is defined in MI 61-101. Mr. Eldridge’s participation in the Offering was ratified by disinterested members of the board of directors of the Company.

Warren Spence, a director of the Company, participated in the Offering, whereby Mr. Spence acquired 60,000 Units at a price of \$0.50 per Share for proceeds of \$30,000. As such, a portion of the Offering was a “related-party transaction” as such term is defined in MI 61-101. Mr. Spence’s participation in the Offering was ratified by disinterested members of the board of directors of the Company.

MI 61-101 requires that issuers obtain a formal valuation and minority shareholder approval of related party transactions, unless an applicable exemption is available. The Company has determined that exemptions contained in section 5.5(a) and 5.7(1)(a), respectively, apply as the fair market value of the consideration for the Shares issued to related parties is not more than 25% of the Company’s market capitalization.

The following table sets out the effect of the Offering on the percentage of securities of the Company beneficially owned or controlled by Mr. Eldridge and Mr. Spence:

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Scott Eldridge Director	\$20,000	40,000 Units	Undiluted: 117,000 ⁽¹⁾	Undiluted: 0.18% ⁽³⁾	Undiluted: 157,000 ⁽⁵⁾	Undiluted: 0.21% ⁽⁷⁾
			Diluted: 302,000 ⁽²⁾	Diluted: 0.47% ⁽⁴⁾	Diluted: 362,000 ⁽⁶⁾	Diluted: 0.50% ⁽⁸⁾

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Warren Spence <i>Director</i>	\$30,000	60,000 Units	Undiluted: 200,000 ⁽⁹⁾ Diluted: 735,000 ⁽¹⁰⁾	Undiluted: 0.31% ⁽³⁾ Diluted: 1.13% ⁽¹¹⁾	Undiluted: 260,000 ⁽¹²⁾ Diluted: 825,000 ⁽¹³⁾	Undiluted: 0.36% ⁽⁷⁾ Diluted: 1.13% ⁽¹⁴⁾

- (1) Comprised of: (i) 117,000 Shares held indirectly through 0874444 B.C. Ltd. ("**087444**"), a company owned and controlled by Mr. Eldridge.
- (2) Comprised of: (i) 117,000 Shares held indirectly through 0874444, (ii) 100,000 stock options ("**Options**") held directly, each of which is exercisable into one share at a price of \$0.30 per Share until October 8, 2025, (iii) 35,000 restricted share units ("**RSUs**") held directly, which each represent the right to receive, once vested, one Common Share and which will vest on January 1, 2022, and (iv) 50,000 warrants held indirectly through 0874444, each of which are exercisable into one Common Share at a price of \$0.45 per Common Share until August 28, 2022.
- (3) Based on 64,132,347 Common Shares outstanding prior to the completion of the Offering.
- (4) Based on 64,317,347 Common Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 64,132,347 Shares outstanding prior to the completion of the Offering on September 10, 2021, (ii) 100,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Eldridge, (iii) 35,000 RSUs which, once vested, each represent the right to receive one Common Share, and (iv) 50,000 Common Shares that may be issuable on exercise of warrants of the Company held by Mr. Eldridge.
- (5) Comprised of: (i) 117,000 Shares held indirectly through 0874444, and (ii) 40,000 Shares held directly.
- (6) Comprised of: (i) 117,000 Shares held indirectly through 0874444, (ii) 40,000 Shares held directly, (iii) all of the convertible securities of the Company set out in footnote (2) above, (iv) and 20,000 warrants, each of which is exercisable at a price of \$0.60 until March 5, 2024.
- (7) Based on 72,132,347 Shares outstanding following the completion of the Offering.
- (8) Based on 72,337,347 Shares outstanding on a partially diluted-bases following the completion of the Offering on September 10, 2021, comprised of: (i) 72,132,347 Shares outstanding following the completion of the Offering, (ii) 100,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Eldridge, (iii) 35,000 RSUs which has the right to receive one common share, and (iv) 70,000 Shares that may be issuable on exercise of warrants of the Company held by Mr. Eldridge.
- (9) Comprised of 200,000 Shares held directly.
- (10) Comprised of: (i) 200,000 Shares held directly, (ii) 500,000 Options held directly, each of which is exercisable into one share at a price of \$0.10 per Common Share until June 23, 2025, (iii) 35,000 RSUs held directly, which each represent the right to receive, once vested, one Common Share and which will vest on January 1, 2022.

- ⁽¹¹⁾ Based on 64,667,347 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 64,132,347 Shares outstanding prior to the completion of the Offering on September 10, 2021, (ii) 500,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Spence, and (iii) 35,000 RSUs which has the right to receive one common share.
- ⁽¹²⁾ Comprised of 200,000 Shares held directly.
- ⁽¹³⁾ Comprised of: (i) 260,000 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (10) above, (iv) and 30,000 warrants, each of which is exercisable at a price of \$0.60 until March 5, 2024.
- ⁽¹⁴⁾ Based on 72,697,347 Shares outstanding on a partially diluted-bases following the completion of the Offering on September 10, 2021, comprised of: (i) 72,132,347 Shares outstanding following the completion of the Offering, (ii) 500,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Spence, (iii) 35,000 RSUs which has the right to receive one common share, and (iv) 60,000 Shares that may be issuable on exercise of warrants of the Company held by Mr. Spence.

The Company did not file a material change report 21 days prior to closing of the Offering as the Company was not aware of all details of the insider participation in the Offering until just before closing.

See attached new releases with respect to the matter described above.

5.2 Disclosure for Restructuring Transactions

Not applicable.

5. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

6. Omitted Information

None.

7. Executive Officer

Robert Payment, 778.400.1242

8. Date of Report

September 13, 2021

Ritual Superfoods Announces Closing of Bought Deal

September 10, 2021

/NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE U.S./

VANCOUVER, September 10, 2021 – Ritual Superfoods Inc. (“Ritual” or the “Company”) (RSF, RSF.WT) is pleased to announce that it has closed its previously announced “bought deal” public offering and raised total gross proceeds of \$4,000,000 (the “**Offering**”).

On August 24, 2021, the Company entered into an underwriting agreement for a public offering of units (“**Units**”) of the Company (the “**Offering**”) and on September 3, 2021, the Company obtained a receipt for its final prospectus (the “**Final Prospectus**”) filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario. The Offering was underwritten by Clarus Securities Inc. (the “**Underwriter**”). Each Unit consists of one common share of Ritual (a “**Common Share**”) and one-half Common Share purchase warrant. Each whole warrant (a “**Warrant**”) entitles the holder to purchase one Common Share of Ritual at a price of \$0.60 per Common Share until March 5, 2021, subject to an acceleration provision. Pursuant to the Offering, Ritual issued an aggregate of 8,000,000 Units at a price of \$0.50 per Unit, for total gross proceeds of \$4,000,000. The Company also granted an over-allotment option to the Underwriter to purchase an additional 1,200,000 Units at \$0.50 per Unit which may be exercised in whole or in part within 30 days of closing of the Offering.

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Two directors of the Company, Scott Eldridge and Warren Spence (the “**Participating Insiders**”), participated in the Offering. Scott Eldridge purchased 40,000 Units in the Offering at a price of \$0.50 per Unit and Warren Spence purchased 60,000 Units at a price of \$0.50 per Unit. Full commission was paid to the Underwriter in respect of the purchases of Units by the Participating Insiders. The Participating Insiders are each a “related party” of the Company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Therefore, the issuance of the Units to the Participating Insiders is each a “related party transaction” within the meaning of MI 61-101. As the material change report relating to the closing of the Private Placement is being filed on SEDAR less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Offering in a timely manner. Other than the Participating Insiders, the Company is aware of no other participation by Insiders (as defined under the *Securities Act* (British

Columbia)).

Clark Wilson LLP acted as legal counsel to Ritual and Borden Ladner Gervais LLP acted as legal counsel to the Underwriter.

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The securities issued under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account of benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or solicitation of an offer to buy any of these securities in any jurisdiction in which the offering or sale is not permitted.

About Ritual

Ritual Superfoods is the first award winning, premium brand in the emerging functional mushroom & adaptogenic superfood market. More than a functional mushroom company, Ritual is a Superfood Platform. At the forefront of innovation in the space, we have entered the market with plant-based elixirs, and continue to consistently expand our offering to meet and exceed our customer’s needs. As a company, we believe in the power of plant-based nourishment and the vital life force that adaptogens, superfoods, and mushrooms can offer our bodies. Our products are made with mindfully-selected, organic functional mushrooms and adaptogenic herbs, traditionally consumed for their ability to support a healthy response to stress and help optimize mental, cognitive, digestive, and immune health. For more information, visit www.ritual.com.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements with respect to the expiry date and acceleration provisions for the Warrants. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; income tax and regulatory matters; the ability of Ritual to implement its business strategies; competition; currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered

reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

For further information please contact:

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