

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Neptra Foods Inc. (the “**Company**”)
7025 S. Revere Parkway, Ste. 100
Centennial, CO, 80112 USA

Item 2. Date of Material Change

March 30, 2022

Item 3. News Release

The news release with respect to the material change described below was disseminated on March 30, 2022, through the newswire services of Newsfile Corp., a copy of which was filed under the Company’s profile on the SEDAR website at www.sedar.com.

Item 4. Summary of Material Change

On March 30, 2022, the Company completed its previously announced overnight marketed public offering (the “**Offering**”) of units of the Company (“**Units**”) for aggregate gross proceeds of \$4,500,000.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On March 30, 2022, the Company completed its previously announced Offering of Units. A total of 10,000,000 Units were issued at \$0.45 per Unit (the “**Offering Price**”) pursuant to the Offering, for aggregate gross proceeds of \$4,500,000.

Each Unit consisted of one common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (each whole purchase warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share (each, a “**Warrant Share**”) at a price of \$0.70 until March 30, 2025. If the volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) (or such other stock exchange on which the Common Shares are then listed or quoted) is greater than \$1.40 for a period of 10 consecutive trading days, the Company may, within 10 business days of the occurrence of such event, accelerate the expiry date of the Warrants by giving written notice (the “**Warrant Acceleration Notice**”) to the holders of the Warrants and issuing a concurrent press release, and, in such case, the expiry date of the Warrants shall be the date specified by the Company in such Warrant Acceleration Notice, provided such date shall not be less than 30 trading days following delivery of such Warrant Acceleration Notice. The Warrants are expected to commence trading on the CSE under the symbol “NPRO.WT” on March 30, 2022.

The Offering was conducted on an underwritten basis by Canaccord Genuity Corp. (the “**Underwriter**”), pursuant to an underwriting agreement between the Company and the Underwriter.

The Company has granted the Underwriter an option (the “**Over-Allotment Option**”), exercisable, in whole or in part, at the sole discretion of the Underwriter by giving notice to the Company at any time and from time to time up to 30 days following the closing of the Offering, to purchase up to an additional 1,500,000 Units at the Offering Price to cover over-allotments, if any, and for market stabilization purposes.

As consideration for their services in connection with the Offering, the Company has paid to the Underwriter (i) a cash fee of \$288,792 and (ii) 641,760 non-transferable warrants (the “**Underwriter’s Warrants**”). Each Underwriter’s Warrant entitles the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for 36 months following closing of the Offering.

The proceeds raised from the sale of the Units under the Offering are expected to be used by the Company for increasing production capacity, new product development, the launch of the additional products in the foodservice industry and retail stores, marketing and general working capital, as more particularly set out in the Company’s final short form prospectus dated March 24, 2022 (the “**Prospectus**”), available under the Company’s profile at www.sedar.com.

Alex McAulay, Chief Financial Officer of the Company, purchased 220,000 Units under the Offering. His participation is considered to be a “related party transaction” as defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). Such participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the securities issued to insiders nor the consideration for such securities exceeds 25% of the Company’s market capitalization. The Company did not file a material change report 21 days prior to closing of the Offering as the details of the participation of insiders of the Company in the Offering had not been confirmed at that time.

The Units, Common Shares and Warrants being offered have not been, nor will they be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, “U.S. persons” or persons in the “United States” (as those terms are defined in Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”)) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Units may be offered and sold in the United States to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to an exemption from the registration requirements of the U.S. Securities Act and pursuant to any applicable securities laws of any state of the United States. Any Units offered and sold in the United States or to, or for the account or benefit of, U.S. persons shall be issued as “restricted securities” (as defined in Rule 144(a)(3) under the U.S. Securities Act).

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

David Wood, Chief Executive Officer
Telephone: 720.729.8500

Item 9. Date of Report

April 7, 2022

Cautionary Statement

This material change report contains statements and information that, to the extent that they are not historical fact, constitute “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, including, but not limited to, the statements relating to the Company’s financial performance, business development, results of operations, expected use of proceeds and those listed in the Prospectus and the other filings made by the Company with the Canadian securities regulatory authorities (which may be viewed at www.sedar.com). Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company’s management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.