

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

July 15, 2024 and July 12, 2024

Item 3 News Release

A news release with respect to the material changes described below was disseminated on July 15, 2024, through the newswire services of Accesswire a copy of which was filed under the Company’s profile on the SEDAR+ website at www.sedarplus.ca.

Item 4 Summary of Material Change

Conversion Transaction

On July 15, 2024, the Company reached an agreement with William Hogan (the “**Lender**”) to convert all of the outstanding US\$950,000 principal amount of loan advances made to the Company’s wholly owned subsidiary, Nepra Foods Ltd., and all other Loan Obligations (as defined below), into common shares of the Company (“**Common Shares**”), at a conversion price equal to C\$0.05 per Common Share (the “**Conversion Transaction**”). The Conversion Transaction closed on July 23, 2024.

Board/Management Changes

Effective July 12, 2024, Mark Olmstead resigned as a director of the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Conversion Transaction

On April 5, 2024, Nepra Foods Ltd., the Company’s wholly-owned subsidiary, entered into a secured loan agreement with the Lender (the “**Loan Agreement**”) for the aggregate principal amount of up to US\$950,000. The Lender has advanced US\$950,000 pursuant to the Loan Agreement, which was set to mature on July 31, 2024.

On July 15, 2024, the Lender entered into a subscription agreement with the Company (the “**Subscription Agreement**”), pursuant to which the parties agreed to convert all of the outstanding US\$950,000 principal amount of loan advances, together with accrued and unpaid interest and all other amounts outstanding under the Loan Agreement (collectively, the “**Loan Obligations**”), at a conversion price equal to C\$0.05 per Common Share, resulting in 26,445,572 Common Shares to be issued in exchange for the full conversion and settlement of US\$970,551 in Loan Obligations.

Upon closing of the Conversion Transaction, all existing security held by the Lender will be released and discharged and the Company will have no further obligations to the Lender under the Loan Agreement. Closing of the Conversion Transaction occurred on July 23, 2024.

The Lender is an insider shareholder of the Company. Accordingly, the Lender's participation in the Conversion Transaction constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("MI 61-101"). Prior to completion of the Conversion Transaction, the Lender held 10,840,000 Common Shares, representing approximately 13.48% of the issued and outstanding Common Shares (or 10.82% assuming conversion of the Company's Class A common shares). After completion of the Conversion Transaction, the Lender is expected to hold 37,285,572 Common Shares, representing approximately 35.78% of the issued and outstanding Common Shares (or 29.45% assuming conversion of the Company's Class A common shares). The Company is relying on the exemption from the formal valuation requirement set out in Section 5.5(b) of MI 61-101 on the basis that no securities of the Company are listed or quoted on any of the prescribed exchanges set out therein. The Company is relying on the exemption from the minority approval requirement set out in section 5.7(1)(e) of MI 61-101. Each of the directors of the Company is an "independent director" (as determined in accordance with MI 61-101) in respect of the Conversion Transaction and the board of directors, acting in good faith, unanimously determined that the Company is in serious financial difficulty, that the Conversion Transaction is designed to improve the financial position of the Company, and that the terms of the Conversion Transaction are reasonable in the circumstances of the Company. Other than the Subscription Agreement, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Conversion Transaction. The Company did not file a material change report 21 days prior to the expected closing of the Conversion Transaction as the structure of the transaction had not been confirmed at that time.

Board/Management Changes

Effective July 12, 2024, Mark Olmstead resigned as a director of the Company.

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

Not applicable.

Item 8 Executive Officer

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

David Wood
Chief Operating Officer, Interim CFO and Director
720-933-9019

Item 9 Date of Report

July 23, 2024