

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Hempalta Corp. ("**Hempalta**" or the "**Company**")
1560 Hastings Crescent SE
Calgary, AB T2G 4E1

Item 2 Date of Material Change

March 3, 2025 and March 10, 2025

Item 3 News Releases

News releases relating to the material changes described herein were released on March 3, 2025, and March 10, 2025.

Item 4 Summary of Material Changes

On March 3, 2025, Hempalta announced that it had filed its unaudited interim condensed consolidated financial statements and related management's discussion and analysis on SEDAR+, and that major shareholders Darren bondar and Prairie Merchant Corporation (the "**Lenders**") had extended a one-year loan in the amount of \$325,000 at 12% interest (the "**Loan**") to Hempalta. Hempalta announced that, in connection with the Loan, it would be issuing a loan bonus to the Lenders of an aggregate of 5,416,667 common share purchase warrants (the "**Warrants**"), exercisable for a period of one year with an exercise price equal to \$0.06.

On March 10, 2025, Hempalta announced that it had received approval from the TSX Venture Exchange (the "**TSXV**") for the previously announced Loan and issuance of the Warrants.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

March 3, 2025

On March 3, 2025, Hempalta announced that the Lenders had extended the Loan. In connection with the Loan, the Company will issue a loan bonus to the Lenders of an aggregate of 5,416,667 Warrants, exercisable for a period of one year with an exercise price equal to \$0.06 (the "**Bonus**"). The Warrants are subject to a hold period under Canadian securities laws, expiring four months and one day from the date of issuance. The Loan and the Bonus are subject to the approval of the TSXV. This Loan provides additional working capital to support Hempalta's growth in the carbon credit market.

As the Lenders are insiders of the Company, the issuance of the Warrants to the Lenders is considered to be a related party transaction within the meaning of Exchange policy 5.9 ("**Policy 5.9**") and Multilateral Instrument 61-101 *Protection of Minority Security holders in Special Transactions* ("**MI 61-101**"). The Company intends to rely on exemptions from the valuation and

minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the Lender participation.

March 10, 2025

On March 10, 2025, Hempalta announced that it had received approval from the TSXV for the previously announced Loan.

The Loan, as disclosed in the March 3, 2025 news release, was advanced by insiders and major shareholders Darren Bondar and Prairie Merchant Corporation. The Loan bears an interest rate of 12% per annum and is secured against certain assets of the Company. The Loan is repayable on the earlier of: (i) one year from the date of issuance; (ii) the successful marketing and sale of the Company's turnkey hemp production facility and processing equipment, or (iii) a financing to the Company of gross proceeds over \$1MM. This Loan provides additional working capital to support Hempalta's strategic focus on scaling its industrial hemp carbon credit platform through the Hemp Carbon Standard.

In connection with the Loan, Hempalta issued an aggregate of 5,416,667 Warrants to the Lenders. Each Warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.06 per share for a period of one year from the date of issuance. The Warrants are subject to a statutory four-month and one-day hold period, in accordance with applicable securities laws and the policies of the TSXV.

As the Lenders are insiders of the Company, the issuance of the Warrants constitutes a "related party transaction" within the meaning of Policy 5.9 and MI 61-101. The Company relied on exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(b) and 5.7(1)(b) of MI 61-101 in respect of the Lenders' participation.

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

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

Darren Bondar
President, Chief Executive Officer and Director
Telephone: 1-800-503-1875

Item 9 Date of Report

March 13, 2025