

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

Item 1 Name and Address of Corporation

Hempalta Corp. (the "**Corporation**" or "**Hempalta**")
3N – 222 Eagle Ridge Drive SW
Calgary, Alberta T2V 2V7

Item 2 Date of Material Change

December 23, 2025

Item 3 News Release

News releases relating to the material change described herein were issued on December 23, 2025 and January 2, 2026, and filed on SEDAR+.

Item 4 Summary of Material Change

On December 23, 2025, the Corporation announced that: (i) it had changed its auditors, (ii) two new directors were appointed to the Hempalta's Board of Directors; (iii) it had completed the first tranche of its private placement of units at \$0.02 per unit, raising proceeds of \$100,000; and (iv) it had entered into debt settlement agreements with certain creditors. On January 2, 2026, the Company corrected its previous announcement indicating that it had settled an aggregate of \$240,697 (and not \$340,697) in debt in exchange for common shares issued at \$0.02 per share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On December 23, 2025, the Company announced that it had closed the first tranche of its non-brokered private placement, raising \$100,000 in gross proceeds. The private placement consisted of units priced at \$0.02 per unit, with each unit comprised of one (1) common share of the Company and one-half ($\frac{1}{2}$) of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$0.05 for a period of 24 months from the date of issuance, provided that if the closing price of the Company's common shares equals or exceeds \$0.20 for five (5) consecutive trading days, the Company may, at its option, accelerate the expiry of the warrants by providing notice to holders, in which case the warrants will expire 30 days from the date of such notice. Proceeds from the financing are being used to support working capital, advance Hempalta's nature-based carbon initiatives, and strengthen the Company's balance sheet.

The Company also announced on December 23, 2025 that it had entered into shares-for-debt settlement agreements with certain creditors. On January 2, 2026, the Company confirmed that it settled an aggregate of \$240,696.86 (and not \$340,697) in outstanding indebtedness. Pursuant to these agreements, the Company issued a total of 12,034,843 common shares at a deemed price of \$0.02 per share in full and final settlement of such indebtedness. Of the common shares issued pursuant to the debt settlement transactions, an aggregate of 9,169,731 common shares were issued to insiders of the Company, including 5,000,000 common shares issued to Darren Bondar, a director and officer of the Company, and 4,169,731 common shares issued to Prairie Merchant Corporation, an insider of the Company by virtue of its shareholdings. The remaining 2,865,112 common shares were to be issued to the Company's legal counsel. As a result these transactions are considered to be "related party transactions" as defined under Multilateral Instrument 61-101-Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Neither the Company, nor to the knowledge of the Company after reasonable inquiry, a related party, has knowledge of any material information concerning the Company or its securities that has not been generally

disclosed. The transactions are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(1)(a)) as the fair market value of the subject debt settlements is not more than 25% of the Company's market capitalization. The debt settlements were approved by the board of directors of the Company, except Darren Bondar, who was conflicted and did not vote. All securities issued pursuant to the debt settlement transactions are subject to a statutory hold period of four months and one day from the date of issuance, in accordance with applicable securities laws, and remain subject to final acceptance of the TSX Venture Exchange.

The Company also announced that it has changed its auditor from Geib & Company to Davidson & Company LLP, effective December 19, 2025. The change of auditor was approved by the board of directors and has been completed in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. There were no reportable events, disagreements, or reservations in the outgoing auditor's reports for the relevant period. A Notice of Change of Auditor has been filed on SEDAR+.

Hempalta also announced that it has appointed two additional directors to fill the vacancies on the board of directors effective as of December 19, 2025, subject to final acceptance by the TSX Venture Exchange. In connection with the appointment of the new directors, the Company has granted an aggregate of 6,000,000 stock options, of which 5,000,000 were issued to directors and officers. All stock options are exercisable at \$0.02 per share and expire 5 years from the date of grant.

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 Knowledgeable of Material Change

Darren Bondar, President and Chief Executive Officer
Telephone: 1-587-434-5554

Item 9 Date of Report

January 2, 2026