

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Burcon NutraScience Corporation ("**Burcon**")
1946 West Broadway
Vancouver, British Columbia, Canada
V6J 1Z2

Item 2: Date of Material Change

November 25, November 28 and December 10, 2019.

Item 3: News Release

News releases with respect to the material change described herein was disseminated on November 25, November 28 and December 10, 2019 through Newsfile Corp.

Item 4: Summary of Material Change

On December 10, 2019, Burcon completed a non-brokered private placement of convertible debentures ("**Convertible Debentures**") for an aggregate principal amount of \$9.5 million. The Convertible Debentures are convertible into common shares of Burcon ("**Shares**"), at the option of the holder, at a conversion price of \$1.05 per share (the "**Conversion Price**"). Each Convertible Debenture consists of \$1,000 principal amount, bears interest at a rate of 8.5% per annum, payable semi-annually in arrears, and is unsecured. The principal amount outstanding under the Convertible Debentures and all accrued and unpaid interest thereon will be payable in cash thirty-six (36) months from the date of issuance of the Convertible Debentures.

Item 5.1: Full Description of Material Change

On December 10, 2019, Burcon completed a non-brokered private placement of the Convertible Debentures for an aggregate principal amount of \$9.5 million (the "**Offering**"). The Convertible Debentures are convertible into Shares at the Conversion Price. Each Convertible Debenture consists of \$1,000 principal amount, bears interest at a rate of 8.5% per annum, payable semi-annually in arrears, and is unsecured. The principal amount outstanding under the Convertible Debentures and all accrued and unpaid interest thereon will be payable in cash thirty-six (36) months from the date of issuance of the Convertible Debentures. Burcon, has the right, at its sole discretion, to force the conversion of the Convertible Debentures if the Shares trade at or above \$2.15 per share for a period of 14 consecutive trading days. Insiders of the Burcon have subscribed for Convertible Debentures totaling \$2 million in principal amount.

The Convertible Debentures and the Shares issuable upon conversion of the Convertible Debentures are subject to a four month and one day statutory resale restriction pursuant to applicable Canadian securities laws. An aggregate of up to 9,047,619 Shares are issuable on conversion of the Convertible Debentures, 1,904,761 of which would be issuable to insiders

of Burcon. Burcon paid a cash finder's fee in connection with the Offering to certain finders equal to 4.5% of the gross proceeds received from investors introduced to Burcon by the finders.

Burcon intends to use the net proceeds from the Offering to: (i) make a further \$3 million capital contribution to Merit Functional Foods Corporation ("**Merit Foods**"); (ii) continue its ongoing research and development program; (iii) further strengthen and expand its intellectual property portfolio; and (iv) for general corporate purposes. In June and September 2019, Burcon contributed an aggregate of \$8 million to Merit Foods for its 40% interest in the Merit Foods joint venture. Merit Foods initially planned to construct and commission a 65,000 square foot pea and canola protein production facility in Western Canada (the "**Flex Production Facility**"). However, Merit Foods has now decided to expand the size of the Flex Production Facility to 88,000 square feet and is incorporating design changes to the initial design, which will facilitate future production capacity expansions. The design modifications and the larger footprint of the Flex Production Facility will enable Merit Foods to economically scale the throughput of pea protein and canola protein as compared to the initial planned capacity. The new budget for the Flex Production Facility has increased from \$65 million to \$80 million. Merit Foods is in the process of securing expanded bank financing for the increased budget and its shareholders have agreed to contribute an additional \$7.5 million in capital pursuant to the terms of the Merit shareholders' agreement in respect of the construction of the Flex Production Facility. Burcon NutraScience Holdings Corp. ("**Burcon Holdings**"), a wholly-owned subsidiary of Burcon, currently owns 40% of Merit Foods' issued and outstanding shares. Burcon has elected to retain its proportionate shareholding in Merit Foods and intends to fund Burcon Holdings with the \$3 million from the net proceeds of the Offering.

The issuance of Convertible Debentures to insiders under the Offering is considered a related party transaction under Multilateral Instrument 61-101. Burcon is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that the participation in the Offering by insiders does not exceed 25% of Burcon's market capitalization. The Offering was unanimously approved by the disinterested directors of Burcon.

This material change report is being filed less than 21 days prior to the closing date of the Offering, which is consistent with market practice and Burcon deems this to be reasonable in the circumstances.

This material change report contains forward-looking statements or forward-looking information within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements or forward-looking information involve risks, uncertainties and other factors that could cause actual results, performances, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements or forward-looking information can be identified by words such as "anticipate," "intend," "plan," "goal," "project," "estimate," "expect," "believe", "future," "likely," "may," "should," "could", "will" and similar references to future periods. All statements other than statements of historical fact included in this material change report are forward-looking statements, including, without limitation, statements regarding the use of proceeds of the Offering, Merit Foods'

expansion plans and other expectations, intentions and plans contained in this material change report. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements or information. Important factors that could cause actual results to differ materially from Burcon's plans and expectations include the actual results of business negotiations, marketing activities, adverse general economic, market or business conditions, regulatory changes and other risks and factors detailed herein and from time to time in the filings made by Burcon with securities regulators and stock exchanges, including in the section entitled "Risk Factors" in Burcon's annual information form dated July 2, 2019 filed with the Canadian securities administrators on www.sedar.com. Any forward-looking statement or information only speaks as of the date on which it was made and, except as may be required by applicable securities laws, Burcon disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Although Burcon believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance, and accordingly, investors should not rely on such statements.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

This material change report is not being filed on a confidential basis.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

Johann F. Tergesen, President and Chief Executive Officer
Telephone: (604) 733-0896 Ext. 15
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Item 9: Date of Report

December 13, 2019.