

Form 51-102F3
Material Change Report

Item 1 Name and Address of Corporation

GREEN RISE FOODS INC.

47 Colborne Street
Toronto, Ontario
M5E 1P8

(the “Corporation”)

Item 2 Date of Material Change

July 3, 2024

Item 3 News Release

A news release was issued by the Corporation on July 3, 2024 via Newsfile Corp. and was subsequently filed on SEDAR+, a copy of which is attached hereto.

Item 4 Summary of Material Change

The Board of Directors of the Corporation has approved that the Corporation enter into a subscription agreement (the “Subscription Agreement”) with George Hatzoglou, the Chief Financial Officer of the Corporation, providing for the issue to George Hatzoglou of 500,000 Common Shares in the capital of the Corporation (the “Shares”), on a non-brokered basis, for a cash purchase price per share of \$0.60 or \$300,000 in the aggregate (the “Share Issue”), as more particularly described below.

Further, the Board of Directors has approved the grant to George Hatzoglou of 900,000 options to purchase Common Shares in the capital of the Corporation in accordance with the Corporation’s Stock Option Plan and the requirements of the TSX-V (the “Option Grant”), at a cash purchase price per share of \$0.60 (collectively the “Options” and each an “Option”), such Options to vest on, and not be exercisable until on or after, July 3, 2027 (the “Vesting Date”) and then only until the date which is October 1, 2027, being ninety (90) days following the Vesting Date, whereupon they would expire if not exercised on or before such date.

The purpose of the Share Issue (and indeed the Option Grant) is to incentivize the Chief Financial Officer to efficiently and prudently assist in the growth of the business and profitability of the Corporation and to permit him to share in the equity growth of the Corporation at the current market price. The most recent closing price on the TSX Venture Exchange (the “TSX-V”) was \$0.60 per share.

5.1 Full Description of Material Change

A full description of the Material Change may be found in the new release referred to above and filed on SEDAR+, much of which is repeated here.

On July 3, 2024, a Subscription Agreement was entered into between the Corporation and George Hatzoglou, the Chief Financial Officer of the Corporation, providing for the issue to George Hatzoglou of 500,000 Common Shares in the capital of the Corporation, on a non-brokered basis, for a cash purchase

price per share of \$0.60 or \$300,000 in the aggregate.

In addition, the Chief Financial Officer was granted 900,000 options to purchase Common Shares in the capital of the Corporation in accordance with the Corporation's Stock Option Plan and the requirements of the TSX-V, at a cash purchase price per share of \$0.60, such Options to vest on, and not be exercisable until on or after, July 3, 2027, and then only until the date which is October 1, 2027, being ninety (90) days following July 3, 2027, whereupon they would expire if not exercised on or before such date.

As mentioned, the purpose of the aforesaid transactions is to provide longer term incentives for the Chief Financial Officer to efficiently and prudently assist in the growth of the business and profitability of the Corporation and to permit him to share in the equity growth of the Corporation at the current market price (but not at a discount).

The Chairman of the Compensation Committee and the other independent directors were approached by management about the aforesaid transactions prior to June 27, 2024, and, on such date a meeting of such independent directors was held, separate and apart from a meeting of the Board of Directors also held that day. The matter was discussed by the independent directors, and they unanimously were in favour of the transactions, subject to definitive documentation and ultimate Board approval.

On July 3, 2024, based on the recommendation of the independent directors, the Board unanimously approved the transactions.

The Share Issue is exempt from the prospectus requirements of applicable securities laws in reliance upon the "accredited investor" exemption and is subject to customary closing conditions, including (among other things), the approval of the TSX-V.

The Shares issued pursuant to the Share Issue will be subject to a four-month hold period in accordance with applicable securities laws and the rules of the TSX-V.

Neither the Corporation, nor to its knowledge (after reasonable inquiry) does the Chief Financial Officer have knowledge of any material information relating to the Corporation or its securities that has not been generally disclosed.

The Share Issue constitutes a "related party transaction" under applicable Canadian securities laws including under *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* because the Chief Financial Officer is an "insider". However, such insider participation will be exempt from the formal valuation and minority shareholder approval requirements under applicable Canadian securities laws because the Common Shares are listed on the TSX-V (and not the TSX) and, based on a determination that neither the fair market value of the Common Shares subscribed for by such insider, nor the cash consideration for the Common Shares to be paid for by such insider, will exceed \$2,500,000 nor 25% of the Corporation's market capitalization. Further, all three (3) independent directors of the Corporation are in favour of the Share Issue to George Hatzoglou.

The proceeds of the Share Issue will be used in the ordinary course for payment of bank indebtedness and general corporate purposes.

There are currently outstanding 46,605,732 Common Shares in the capital of the Corporation. The Financial Officer currently holds 700,000 Common Shares and 300,000 options to purchase Common Shares previously issued under the Corporation's Stock Option Plan. Upon closing of the Share Issue, the Chief Financial Officer will hold 1,200,000 Common Shares representing, on an undiluted basis, 2.5% of the outstanding Common Shares. Following the Share Issue and the Option Grant (and taking into account all options currently held by him and shares and options held by others), he will own or have an interest in 2,400,000 Common Shares (1,200,000 shares and 1,200,000 options) representing 4.9% of the outstanding

Common Shares on a fully diluted basis.

It is anticipated that the closing of the Share Issue will be completed as soon as practicable following the date hereof and within three (3) business days following satisfaction of the closing conditions, including receipt of the approval of the TSX-V in respect of the listing on the TSX-V of the Common Shares issued pursuant to the Share Issue, and in any event no later than July 24, 2024 unless such date is extended in accordance with the Subscription Agreement.

The Corporation wishes to close the Share Issue as soon as practicable following satisfaction of the conditions to closing, including the receipt of regulatory approval, and believes that it is reasonable for it to do so prior to July 24, 2024 (the 21st day following the date hereof).

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

For additional information, please contact:

Vincent Narang
Chief Executive Officer

Phone: 1-416-551-5015
E-mail: info@greenrisefoods.ca

Item 9 Date of Report

July 3, 2024