

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

Item 1: Name and Address of Reporting Issuer

Happy Belly Food Group Inc. (the “Company” or “Happy Belly”)
400-1681 Chestnut Street
Vancouver, BC V6J 4M6

Item 2: Date of Material Change

July 3, 2024.

Item 3: News Release

A news release was issued and disseminated on June 27, 2024 and filed on SEDAR+ (www.sedarplus.ca).

Item 4: Summary of Material Changes

The Company announced the closing of its non-brokered private placement (the “Private Placement”). See Item 5 for further details.

Item 5.1: Full Description of Material Change

The Company announced that it has closed its Private Placement with K2 & Associates (“K2”), raising gross proceeds of \$2,000,000 through the issuance of 2,000 convertible debentures (the “Debentures”). K2 is a Canadian multi-strategy hedge fund.

Each Debenture has a principal amount of \$1,000, a 3 year term earning interest at the rate of twelve percent (12%) per annum payable quarterly after the closing date of the Private Placement, maturing on the date that is the third anniversary of the first date that the Debentures are issued (the “Maturity Date”) and are convertible, at the holder's option, into common shares (the “Shares”) of the Company every three months after the closing date, but prior to the Maturity Date, at a conversion price equal to \$0.75 per Share, provided that not less than 25% of the outstanding principal, and any interest amounts owed, is converted.

The Debentures are subject to an accelerated expiry provision whereby if the Company’s Shares close at or above \$1.50 per Share during any 10 consecutive trading day period at any time subsequent to four months and one day after the closing date, the holder will have 30 days from the date the Company provides notice of such accelerated expiry to convert the Debentures.

On the Maturity Date, any outstanding principal amount of the Debentures, plus any accrued and unpaid interest, shall be paid in cash. The Debentures are subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

The proceeds of the Private Placement will be used for future acquisitions. No finder’s fees were paid in connection with the Private Placement.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

N/A.

Item 8: Executive Officer

For further information, please contact:

Happy Belly Food Group Inc.

Shawn Moniz, CEO

Contact: shawn@happybellyfg.com

Item 9: Date of Report

July 4, 2024.