**MATERIAL CHANGE REPORT UNDER**

***SECURITIES ACT* (BRITISH COLUMBIA) SECTION 67(1) FORM 27**
***SECURITIES ACT* (ALBERTA) SECTION 118(1) FORM 27**
***SECURITIES ACT* (SASKATCHEWAN) SECTIONS 118 and 119 FORM 25**
***SECURITIES ACT* (ONTARIO) SECTION 74(2) FORM 27**

1. **Reporting Issuer:**

   CANBRA FOODS LTD. ("Canbra")
   2415 - 2nd Avenue A. North
   Lethbridge, Alberta
   T1H 0G7

2. **Date of Material Change:**

   June 29, 1999

3. **Press Release:**

   The Press Release was issued at Lethbridge, Alberta on June 29, 1999 through the Canadian Corporate News.

4. **Summary of Material Change:**

   Canbra announced on June 29, 1999 that they have entered into an agreement pursuant to which James Richardson International Limited, through a wholly-owned subsidiary 830686 Alberta Ltd., will offer to purchase all of the issued and outstanding common shares of Canbra for cash consideration of CDN $23.00 per share (the "Offer"). The total cash consideration of the Offer is estimated to be CDN $64.1 million dollars. The Board of Directors of Canbra has unanimously agreed to recommend acceptance of the Offer to the shareholders of Canbra. In a separate agreement, KPMG Inc., as receiver-manager of the controlling shareholder of Canbra, and representing approximately 52.3% of the issued and outstanding Canbra shares, has irrevocably agreed to tender the Canbra shares it controls to the Offer.

5. **Full Description of Material Change:**

   A full description of the change referred to is set out in the attached Press Release. Also find attached the Support Agreement dated June 29, 1999 between Canbra, 830686 Alberta Ltd., and James Richardson International Limited.

6. **Reliance on Confidentiality Provisions:**

   Not applicable.

7. **Omitted Information:**

   Not applicable.

8. **Senior Officer:**

Larry P. McNamara, President and Chief Executive Officer
2415 - 2nd Avenue A. North
Lethbridge, Alberta
T1H 0G7

Telephone: (403) 329-5555
Telecopy: (403) 328-7933

9. **Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Calgary, in the Province of Alberta, as of the 7th day of July, 1999.

CANBRA FOODS LTD.

Per: (signed) "Larry P. McNamara"
Print Name: Larry P. McNamara
Title: President and Chief Executive Officer

IT IS AN OFFENSE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE SECURITIES ACT OR THIS REGULATIION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

***For Immediate Release***

**PRESS RELEASE**

**JAMES RICHARDSON INTERNATIONAL ANNOUNCES OFFER FOR CANBRA FOODS**

***June 29, 1999***

CALGARY, ALBERTA - James Richardson International Limited, through a wholly- owned subsidiary, 830686 Alberta Ltd. ("JRI") and Canbra Foods Ltd. ("Canbra") - TSE ("CBF") jointly announce that they have entered into an agreement pursuant to which JRI will offer to purchase all of the issued and outstanding common shares of Canbra for cash consideration of Cdn. $23.00 per share (the "Offer"). The total cash consideration of the Offer is estimated to be Cdn. $64.1 million dollars. Scotia Capital Markets has acted as financial advisor to JRI in connection with the Offer.

The Board of Directors of Canbra has unanimously agreed to recommend acceptance of the Offer to the shareholders of Canbra. In a separate agreement, KPMG Inc., as receiver-manager of the controlling shareholder of Canbra, and representing approximately 52.3% of the issued and outstanding Canbra shares, has irrevocably agreed to tender the Canbra shares it controls to the Offer. The agreement between JRI and Canbra also provides that Canbra shall not, directly or indirectly, solicit or initiate any inquiries, discussions or negotiations with any third party with respect to any alternative transaction. First Marathon Securities Limited has acted as financial advisor to the independent committee of the Board of Directors of Canbra and has provided a fairness opinion in connection with the Offer. In addition, TD Securities Inc. acted as advisor to KPMG Inc. in connection with the Offer.

JRI’s obligation to make the Offer is subject to certain conditions, including regulatory approvals, however, JRI anticipates mailing the Offer on or about July 8, 1999. The Offer will be open for twenty-one (21) days unless extended by JRI and is conditional upon, among other things, receipt of all necessary regulatory approvals and a minimum of 50.1% of the Canbra shares (other than shares currently owned by JRI or controlled by KPMG Inc.) being properly tendered under the Offer. Upon the successful completion of the Offer, it is anticipated that nominees of JRI will replace the existing directors of Canbra.

JRI is a private company headquartered in Winnipeg, Manitoba. Since 1857, the Richardson name has been synonymous with agribusiness in Canada. As a full service provider, JRI links grain and oilseed production capability with world markets. JRI assists North American farmers in tailoring their production to the specific needs of end use consumers. Through strategically located farm service centres, JRI provides farmers with the needed services, seed, fertilizer and crop protection products. As well, these locations form the foundation of transportation and logistical support that ensures timely and efficient movement of grains and oilseeds to market.

The acquisition of Canbra is JRI's first major investment in value added processing. This investment ensures that farm customers of JRI will have direct access to the Canadian crushing industry. Many long standing relationships in the international market place have been established by JRI. This will serve to expand Canbra’s excellent reputation for providing high quality, Canadian made, edible oil products, to world markets.

Canbra is one of Canada’s oldest and largest fully-integrated crushing, refining, processing and packaging operations employing 275 people at its Lethbridge, Alberta facility. Its common shares are listed on the Toronto Stock Exchange.

For further information, contact:

JRI:
Bill Mooney, Vice President, Organizational Development
(204) 934-5638

Canbra:
Larry P. McNamara, President and Chief Executive Officer
(403) 329-5555