

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

**Koios Beverage Corp. (the “Issuer”)**  
810 – 789 West Pender Street  
Vancouver, British Columbia  
V6C 1H2

**Item 2 Date of Material Change**

February 27, 2023

**Item 3 News Release**

The news release was disseminated on February 27, 2023 by way of the facilities of GlobeNewswire. The news release was also filed on SEDAR and posted to the Issuer’s disclosure hall with the CSE.

**Item 4 Summary of Material Change**

The Issuer granted an aggregate of 6,300,000 stock options to certain directors, employees and consultants (the “Eligible Parties”).

The Issuer also granted an aggregate of 2,000,000 restricted share units (“RSUs”) to Eligible Parties.

The board of directors approved the settlement of an aggregate of \$456,485.20 in debt through the issuance of 9,129,665 common shares (“Shares”) a deemed price of \$0.05 per Share to the certain creditors (the “Debt Settlement”).

The Issuer issued an aggregate of 12,375,000 Shares at a deemed value of \$0.05 per Share to certain insiders, employees and consultants in satisfaction of certain employment and consulting agreements (the “Consulting Agreements”).

The Issuer intends to extend 8,848,823 outstanding warrants (“Warrants”) and reprice an aggregate of 6,387,325 of those Warrants issued pursuant to a private placement that closed on March 8, 2021 and March 11, 2022 (the “Warrant Amendments”).

**Item 5 Full Description of Material Change**

**Item 5.1 Full Description of Material Change**

The Issuer announced that pursuant to its shareholder approved Stock Option Plan, it has granted an aggregate of 6,300,000 stock options to Eligible Parties of the Issuer. The stock options are exercisable to acquire up to 6,300,000 Shares of the Issuer at an exercise price of \$0.05 per Share for a period of 5 years from issuance. The stock options vest upon issuance.

Pursuant to the Issuer’s shareholder approved RSU Plan, it has granted an aggregate of 2,000,000 RSUs to Eligible Parties of the Issuer. The RSUs vest four months and a day from issuance. The RSUs shall entitle the Eligible Parties the ability to acquire a Share of the Issuer underlying each such RSU by delivering a notice of acquisition to the Issuer in accordance with the RSU Plan for a period of 5 years from issuance. The RSUs were priced at \$0.05.

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## **Debt Settlement and Employment Agreement Milestones**

The Issuer announced that its board of directors approved Debt Settlement. Pursuant to the Debt Settlement, the Issuer issued 9,129,665 Shares at a deemed price of \$0.05 per Share to the creditors of the Issuer.

Pursuant to the Debt Settlement, a total of \$345,753.39 of the Debt Settlement was settled with directors and officers of the Issuer. With the above settlement, the accrued debt has been extinguished from the Issuer's books as a liability.

The Issuer also announces that it has issued 4,200,000 Shares to Chris Miller, the Chief Executive Officer of the Issuer, 2,800,000 Shares to Sheron Lewis, director and President of Operations, 400,000 Shares to Ryon Shack, President of Conventional Sales, 1,000,000 shares to Josh Luman, director (the "Insiders") and 3,975,000 Shares have been issued to five employees and consultants in satisfaction the Consulting Agreements, regarding management and employee performance bonuses. The Shares have been issued at a deemed value of \$0.05 per Share.

The disinterested directors of the Issuer approved the Debt Settlement and Consulting Agreements with the Insiders. The share issuances to the Insiders, directors and officers are exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 ("MI 61-101") by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in that the fair market value of the consideration for the securities of the Issuer to be issued to the Insiders, directors and officers does not exceed 25% of its market capitalization.

All securities issued are subject to a statutory hold period which will expire on the date that is four months and one day from the date of issuance.

None of the securities issued in connection with the Option issuance, RSU issuance, Debt Settlement and Consulting Agreements will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of them will be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

## **Warrant Amendments**

The Issuer also announced that it intends to extend 8,848,823 outstanding common Warrants and reprice an aggregate of 6,387,325 of those Warrants issued pursuant to a private placement that closed on March 8, 2021 and March 11, 2022, with Warrant expiration dates of March 8, 2023 and March 11, 2023

4,500,000 Warrants will be extended to expire on March 8, 2024 with 2,038,650 of those Warrants being repriced at \$0.05. 4,348,823 Warrants will be extended to expire on March 11, 2024 with an amended exercise price of \$0.05.

The Warrants will be subject to an accelerated expiry provision such that if, for any 10 consecutive trading days (the "Premium Trading Days") during the unexpired term of the Warrants, the closing price of the common shares ("Common Shares") exceeds the acceleration price of \$0.0625, the exercise date will be accelerated to thirty (30) calendar days (the "Acceleration Clause"). The activation of the Acceleration Clause will be announced by press release and the 30-day period will commence 7 days after the last Premium Trading Day. All other terms of the warrants remain unchanged.

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**Item 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**

Chris Miller, director and CEO  
Business Telephone:      844-255-6467

**Item 9**      **Date of Report**

March 3, 2023