

BevCanna Shares Business Objectives for Second Half Of 2019

Company also announces access to prime B.C. resources via agreement with Naturo Springs

VANCOUVER, British Columbia--(BUSINESS WIRE)--July 10, 2019--BevCanna Enterprises Inc. (“BevCanna” or the “Company”) (CSE:BEV), an emerging leader in infused innovations, is pleased to announce its business objectives for the second half of 2019 and beyond. The Company’s business objectives for the upcoming six months include:

- completion of testing of water-soluble, powder-based beverages in the United States, with a focus on the California market;
- entry into multiple LOIs with Canadian Licensed Producers for white-label manufacturing of cannabis infused beverages for initial clients for the Canadian market;
- refinement and roll-out of BevCanna’s in-house brand concepts for both the Canadian and United States markets, including Anarchist Mountain Beverages, BevCanna’s first brand, which is inspired by the site of the Company’s bottling operations; and
- identification of a suitable partner and finalization of cultivation crop-sharing agreement with an established Canadian Licensed Producer in respect to the Company’s 100-acre outdoor cultivation site in the fertile Okanagan Valley.

As disclosed in the Company’s prospectus dated June 20, 2019, available under BevCanna’s SEDAR profile at www.sedar.com, the Company also announces that it has entered into an exclusive master lease and services agreement with world-class beverage manufacturer Naturo Springs. The agreement includes exclusive access to Naturo Springs’s alkaline spring water aquifer, from which the Company will source water to infuse with CBD and THC for its cannabis infused beverage products. The partnership also enables BevCanna to cultivate its own sun-grown cannabis biomass, through the lease of 100 acres from Naturo Springs. BevCanna was recently awarded a hemp cultivation license from Health Canada, and is subsequently pursuing a Cannabis Cultivation License. The biomass and pristine spring water will form the basis of BevCanna’s range of innovative infused beverages, for both house brands and white-label clients.

In addition to providing access to these on-site resources, Naturo Springs has agreed to allocate their 40,000-square foot HACCP-approved bottling facility and warehouse for BevCanna’s exclusive use. A Standard Processing License has already been applied for on the existing facility and BevCanna is in the final evidence submission stage.

"We're incredibly excited to leverage Naturo Springs's unparalleled natural resources, as well as their extensive manufacturing expertise," said John Campbell, Chief Strategic Officer of BevCanna. "This partnership will support BevCanna's transformation from an emerging leader into a global force in cannabis-infused beverages, and will provide an early-mover advantage within the industry."

"The scalable infrastructure and assets obtained through this deal will allow us to commercialize our own in-house brands and formulations, and will also work with white labelling partners across Canada," added Emma Andrews, Chief Commercialization Officer at BevCanna. "There's unmatched expertise on our team, and untapped potential within the infused product landscape."

Naturo Springs has also obtained pre-approval from the Agricultural Land Commission to expand the facility up to 170,000 square feet, to be used for BevCanna's future growth strategy. The bottling plant's current capacity is 72 million bottles per shift/per annum.

For more information on the Company, including its business, objectives and the agreement with Naturo Springs, including all material terms of the agreement, see the Company's prospectus dated June 20, 2019, available under BevCanna's SEDAR profile at www.sedar.com.

About BevCanna

BevCanna Enterprises Inc. (CSE: BEV) plans to develop and manufacture cannabinoid-infused beverages and consumer products for in-house brands and white label clients. With decades of experience creating, branding and distributing iconic brands that have resonated with consumers on a global scale, the team demonstrates an expertise unmatched in the emerging cannabis beverage category. Based in British Columbia, Canada, BevCanna has a 100-acre outdoor cultivation site in the fertile Okanagan Valley and the exclusive rights to a pristine spring water aquifer, as well as a world-class 40,000-square-foot, HACCP certified manufacturing facility, with a current bottling capacity of up to 72M bottles per shift/per annum. BevCanna's vision is to be a global leader in infused innovations.

About Naturo Springs

Naturo Springs, based in Bridesville BC, owns and operates a world class 40,000 square foot world-class manufacturing facility, on 315 acres of Agricultural Reserve Land. The company also has the rights to an underground alkaline spring water aquifer. The Government of Canada has placed a moratorium on issuing future comparable water licenses. Naturo has successfully launched and commercialized

several product lines, including Naturo Aqua, and the first Health Canada approved plant-based functional water beverage, Trace Beverages, which is infused with flavic and humic minerals. Naturo's beverage brands have over 2,200 points of distribution throughout Canada, including 7/11, London Drugs, Loblaws and Metro Markets.

Disclaimer for Forward-Looking Information

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact are forward-looking statements. Forward looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend”, “estimate” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: completion of testing of water-soluble, powder-based beverages in the United States, with a focus on the California market; entry into multiple LOIs with Canadian Licensed Producers for white label manufacturing of cannabis infused beverages for initial clients for the Canadian market; refinement and roll-out of BevCanna's in-house brand concepts for both the Canadian and United States markets, including Anarchist Mountain Beverages, the Company's first brand, inspired by the site of BevCanna's bottling operations; and identification of a suitable partner and finalization of cultivation crop sharing agreement with an established Canadian Licensed Producer in respect of the Company's 100-acre outdoor cultivation site in the fertile Okanagan Valley; that the master lease and services agreement will allow BevCanna to manufacture a range of innovative and unique CBD and THC-infused beverages; that the Company will source water from Naturo Springs's alkaline spring water aquifer to infuse with CBD and THC for its cannabis infused beverage products; the biomass and pristine spring water will form the basis of BevCanna's range of innovative infused beverages, for both house brands and white-label clients; that the partnership with Naturo Springs will support BevCanna's transformation from an emerging leader into a global force in cannabis-infused beverages, and will provide an early-mover advantage within the industry; that the scalable infrastructure and assets obtained through the agreement with Naturo Springs will allow the Company to commercialize its own house brands and formulations, and will also work with white labelling partners across Canada; untapped potential within the infused product landscape; that BevCanna's future growth strategy will involve the expansion of the facility up to 170,000 square feet, as pre-approved by the Agricultural Land Commission; statements with respect to the development and manufacturing of cannabinoid-infused beverages and consumer products for in-house brands and white label clients; the emerging cannabis beverage category; and the business plans of the Company.

Forward-looking statements are based on certain assumptions regarding the issuances of licences by Health Canada to the Company under the Cannabis Act; anticipated changes to the Cannabis Act and the regulations thereunder to permit the production and sale of food products, derivatives and beverages containing THC and CBD and the anticipated timing of such changes; changes to U.S. state and federal laws to permit the production and sale of cannabis and cannabis-derived products; the anticipated timing of the Company's completion of testing of water-soluble, powder-based beverages in the United States; willingness of multiple Canadian Licensed Producers to sign LOIs with the Company for white label manufacturing of cannabis infused beverages as initial clients; availability of a suitable partner in respect of the Company's proposed cultivation crop sharing agreement; anticipated benefits of the agreement with Naturo Springs; and expectations with respect to the future growth of recreational cannabis products. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements. The assumptions of the Company, although considered reasonable by it at the time of preparation, may prove to be incorrect. In addition, forward-looking statements necessarily involve known and unknown risks, including, without limitation, the Company not being issued licences by Health Canada; Health Canada electing not to legalize and/or permit the production and sale of food products, derivatives and beverages containing THC and CBD; the United States' Food and Drug Administration electing not to legalize and/or permit the production and sale of food products, derivatives and beverages containing CBD; changes to consumer preferences with respect to cannabis infused products; that the Company will have the necessary resources to complete testing of water-soluble, powder-based beverages in the United States; risks associated with reliance on Naturo Springs in respect of the Company's business plans; risks associated with general economic conditions; adverse industry events; future legislative, tax and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the inability to implement business strategies; competition; currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. For more information on the risk, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the public filings of the Company which are available on SEDAR at www.sedar.com. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the

date hereof, and thus are subject to change thereafter. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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