

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

BevCanna Enterprises Inc. (the “Company”)
200 – 1672 West 2nd Avenue
Vancouver, BC V6J 1H4

Item 2 Date of Material Change

October 10, 2019

Item 3 News Release

The news release dated October 10, 2019 was disseminated via Baystreet and Stockwatch.

Item 4 Summary of Material Change

On October 10, 2019, the Company announced that it issued to John Campbell (“**Campbell**”), an officer and a director of the Company, 5,000 common shares in the capital of the Company (each, a “**Share**”) at a deemed price of \$1.00 per Share and 20,000 Shares at a deemed price of \$0.50 per Share, as full and final payment and satisfaction of debt of \$15,000 (the “**Campbell Settlement**”), which debt was for unpaid remuneration for management services performed by Campbell.

The Company also announced it issued to Michael Darby (“**Darby**”), a former officer of the Company, 30,172 Shares at a deemed price of \$0.58 per Share, as full and final payment satisfaction of debt of \$17,500 (the “**Darby Settlement**”), which debt was for unpaid remuneration for management services performed by Darby.

The Shares issued in the Campbell Settlement and Darby Settlement are subject to resale restrictions imposed by applicable law or regulation, including a statutory hold period expiring four months and one day from the date of closing of the Campbell Settlement and Darby Settlement.

The Campbell Settlement was a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Campbell Settlement was exempt from the valuation requirement of MI 61-101 by virtue of the exemptions contained in section 5.5(b) of MI 61-101 as the Company’s Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 in that the fair market value of the Settlement did not exceed 25% of the Company’s market capitalization. As the material change report disclosing the Settlement is being filed less than 21 days before the transaction, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company it was necessary to immediately close the Settlement and therefore, such shorter period was reasonable and necessary in

the circumstances to improve the Company's financial position.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See Item 4 above and the attached news release for a full description of the material change.

MI 61-101 Requirements

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

See Item 4 above.

(b) the purpose and business reasons for the transaction:

The purpose of the transaction with Campbell is to settle debt owed to a creditor of the Company.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The Company does not anticipate any material effect on the Company's business and affairs.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

John Campbell, an officer and a director of the Company, directly acquired 25,000 Shares in settlement of \$15,000 in accounts payable to him, for services rendered as an officer of the Company. As such, the Campbell Settlement was a "related-party transaction" as such term is defined in MI 61-101. Campbell's participation in the Campbell Settlement was approved by disinterested members of the board of directors of the Company.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The following table sets out the effect of the Campbell Settlement on the percentage of securities of the Company beneficially owned or controlled by Campbell:

Name and Position	Dollar Amount of Shares Acquired	Number of Securities Acquired	No. of Shares Held prior to Closing of the Settlement	Percentage of Issued and Outstanding Shares prior to Closing of the Settlement	No. of Shares Held After Closing of the Settlement	Percentage of Issued and Outstanding Shares After Closing of the Settlement
John Campbell <i>Officer and Director</i>	\$15,000	25,000 common shares	Undiluted: 652,000 ⁽¹⁾ Diluted: 877,000 ⁽²⁾	Undiluted: 1.41% ⁽³⁾ Diluted: 1.89% ⁽⁴⁾	Undiluted: 677,000 ⁽⁵⁾ Diluted: 902,000 ⁽⁶⁾	Undiluted: 1.47% ⁽⁷⁾ Diluted: 1.95% ⁽⁸⁾

⁽¹⁾ Shares held jointly by Campbell and Shen-Wen Lin.

⁽²⁾ Comprised of: (a) 652,000 Shares held jointly by Campbell and Shen-Wen Lin; and (b) 225,000 options held by Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share, with 125,000 exercisable until February 28, 2024 and 100,000 exercisable until July 5, 2022, and all of which may be exercised within the next 60 days.

⁽³⁾ Based on 45,965,858 Shares outstanding prior to the completion of the Settlement on October 9, 2019.

⁽⁴⁾ Based on 46,190,858 Shares comprised of: (a) 45,965,858 Shares outstanding prior to the completion of the Settlement on October 9, 2019; and (b) 225,000 options held by Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share, with 125,000 exercisable until February 28, 2024 and 100,000 exercisable until July 5, 2022, and all of which may be exercised within the next 60 days.

⁽⁵⁾ Shares held jointly by Campbell and Shen-Wen Lin.

⁽⁶⁾ Comprised of: (a) 677,000 Shares held jointly by Campbell and Shen-Wen Lin; and (b) 225,000 options held by Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share, with 125,000 exercisable until February 28, 2024 and 100,000 exercisable until July 5, 2022, and all of which may be exercised within the next 60 days.

⁽⁷⁾ Based on 46,021,030 Shares outstanding after the completion of the Settlement on October 9, 2019.

⁽⁸⁾ Based on 46,246,030 Shares comprised of: (a) 46,021,030 Shares outstanding after the completion of the Settlement on October 9, 2019; and (b) 225,000 options held by Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share, with 125,000 exercisable until February 28, 2024 and 100,000 exercisable until July 5, 2022, and all of which may be exercised within the next 60 days.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

The Campbell Settlement was approved by disinterested members of the board of directors of the Company and Campbell abstained on the resolution of the board of directors approving the Campbell Settlement. A special committee was not established in connection with the approval of the Campbell Settlement, and no materially contrary view or abstention was expressed or made by any director.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) *disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

(i) *that has been made in the 24 months before the date of the material change report:*

Not applicable.

(ii) *the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

(h) *the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

The Company entered into a debt settlement and subscription agreement with Campbell pursuant to which Campbell subscribed for 25,000 Shares in settlement of \$15,000 in account payable by the Company.

See Item 4 above and the attached news release for a full description of the Campbell Settlement.

(i) *disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

MI 61-101 requires that issuers obtain a formal valuation and minority shareholder approval of related party transactions, unless an applicable exemption is available. The Campbell Settlement was exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in (i) Section 5.5(a) of MI 61-101 in that the fair market value of the Settlement did not exceed 25% of the Company's market capitalization and (ii) section 5.5(b) of MI 61-101 as the Company's Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 in that the fair market value of the Settlement did not exceed 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the transaction, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company it was necessary to immediately close the Campbell Settlement and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Martino Ciambrelli, President, 604.569.1414

Item 9 Date of Report

October 11, 2019

Press Release

BevCanna Enterprises Announces Shares for Debt Transactions

VANCOUVER, BC., October 10, 2019. BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) ("**BevCanna**" or the "**Company**") announces it has issued to John Campbell ("**Campbell**"), an officer and director of the Company, 5,000 common shares in the capital of the Company (each, a "**Share**") at a deemed price of \$1.00 per Share and 20,000 Shares at a deemed price of \$0.50 per Share, as full and final payment and satisfaction of debt of \$15,000 (the "**Campbell Settlement**"), which debt was for unpaid remuneration for management services performed by Campbell.

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About BevCanna Enterprises Inc.

[BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNF, FSE:7BC) develops and manufactures 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 130-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.

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