

Press Release

BevCanna Announces Exclusive Joint Venture and Manufacturing Agreement with Bloom

Cannabis infused beverage expert enters into LOI with prominent US vape company

VANCOUVER, BC, October 23, 2019. Emerging leader in infused cannabis beverages, [BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNF, FSE:7BC) (“BevCanna” or the “Company”) announced today that it has entered into a non-binding letter of intent (the “LOI”) dated October 15, 2019 to partner with high-profile cannabis operator company, Capna Intellectual, Inc. (“Capna”), to bring its leading multi-state cannabis vape brand, [Bloom](#), to Canada. BevCanna will manufacture and sell Bloom branded products, including cannabis concentrates and extracts, in Canada. BevCanna will also acquire exclusive licensing and manufacturing rights to select product formats, technology and branding assets of Bloom.

“The JV with Bloom is an excellent opportunity for BevCanna to partner with a strong, reputable brand in the vape category,” said Emma Andrews, Chief Commercialization Officer at BevCanna. “This agreement leverages BevCanna’s expertise in manufacturing infused cannabis products and Bloom’s reputation for creating safe, effective, appealing vapor cartridges and disposables. Canadians are eager to see more vape options from trust-worthy retailers, and we’re excited to be able to provide that.”

Bloom products are sold in over three hundred retailers in four States: California, Nevada, New Mexico, and Washington; and available in leading retailers such as MedMen, Planet 13, Cookies, and Connected.

Letter of Intent

The LOI provides that BevCanna and Capna, production partner to Bloom, will negotiate in good faith towards a joint venture arrangement (the “Definitive Agreement”) pursuant to which BevCanna would manufacture, process, and sell cannabis products on behalf of Capna. The parties expect the following non-binding terms of the LOI to be formalized in the Definitive Agreement:

- BevCanna would manufacture, process, and sell cannabis products, including cannabis concentrates and cannabis extracts, on behalf of Capna, as and when permitted by applicable Canadian regulations under a licence expected to be granted by Health Canada to the Company; and
- Capna would grant an exclusive license to certain technology and branding assets to BevCanna in Canada in connection with the Company’s production of cannabis products for Capna.

- In the event Capna decides to extend their products to beverage, BevCanna shall be the exclusive beverage manufacturer for Capna in California and Canada, and will hold rights of first refusal to be the exclusive beverage manufacturer in any other US State.

In connection with the LOI, on October 22, 2019, BevCanna subscribed for 135,747 Seed Series Preferred Shares in the capital of Capna (“Capna Shares”) for an aggregate subscription price of US\$250,000, and expects to subscribe for additional Capna Shares for an aggregate subscription price of US\$250,000 upon entry into the Definitive Agreement. Entry into the Definitive Agreement is expected to occur by November 1, 2019.

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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Disclaimer for Forward-Looking Information

This news release contains forward-looking statements under applicable securities laws, including the statements that: the Company will manufacture and sell Bloom branded products, including cannabis concentrates and extracts in Canada; that the Company will acquire exclusive licensing and manufacturing rights to select product formats, technology and branding assets of Bloom; that the Company will be able to provide Canadians with more vape options from trust-worthy a retailer; the expected terms of the Definitive Agreement; that the Company expects to subscribe for additional Capna Shares for an aggregate subscription price of US\$250,000 upon entry into the Definitive Agreement; that the Company expects to be granted a licence by Health Canada; and the timing of entry into the Definitive Agreement. These statements are based on certain assumptions regarding the issuances of licences by Health Canada to the Company. 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, risks associated with future legislative and regulatory developments in Canada and the United States; risks associated with agriculture and farming; the Company not being issued licences by Health Canada; risks typically associated with investments in private companies, including liquidity risks; and other risks. 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. 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.