

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 1H

Item 2 Date of Material Change

December 26, 2019

Item 3 News Release

The news release dated December 26, 2019 was disseminated via Cision.

Item 4 Summary of Material Change

The Company announced that it has increased the size of its outdoor cannabis cultivation site to 292 acres, up from the originally announced 130 acre site. BevCanna has partnered with agricultural experts Clearwater CannGrow Ltd. to grow certified organic sun-grown cannabis on the property near Osoyoos, British Columbia.

This expansion of cultivatable land will allow BevCanna to develop into one of the largest outdoor cannabis cultivators in Canada. The Company has in turn increased its anticipated production to 300,000 kg - 400,000 kg of biomass, and a yield of 30,000 kg – 40,000 kg of pure cannabinoids through the finished extract.

In conjunction with the additional cultivation capacity, BevCanna has completed a debt settlement with cultivation partner Clearwater CannGrow, in the amount of \$500,000, in exchange for the issuance of 1,000,000 common shares (each, a “Share”) at a deemed price of \$0.50 per Share.

The Shares issued in the debt 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 debt settlement.

Item 5 Full Description of Material Change

The Company announced that it has increased the size of its outdoor cannabis cultivation site to 292 acres, up from the originally announced 130 acre site. BevCanna has partnered with agricultural experts Clearwater CannGrow Ltd. to grow certified organic sun-grown cannabis on the property near Osoyoos, British Columbia.

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The Shares issued in the debt 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 debt settlement.

The material change is fully described in Item 4 above and in the attached news release which has been filed on SEDAR.

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

Oleg Scherbina, Chief Financial Officer
Telephone: 1-604-569-1414

Item 9 Date of Report

December 30, 2019

BevCanna Expands Outdoor Cannabis Cultivation Capabilities to Almost 300 acres

Strengthens Partnership with Agricultural Experts Clearwater CannGrow to Grow Certified Organic Sun-Grown Cannabis

VANCOUVER, Dec. 26, 2019 /CNW/ - Emerging leader in infused cannabis beverages, BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) ("BevCanna" or the "Company"), announced today that it has increased the size of its outdoor cannabis cultivation site to 292 acres, up from the originally announced 130 acre site. BevCanna has partnered with agricultural experts Clearwater CannGrow Ltd. to grow certified organic sun-grown cannabis on the property near Osoyoos, British Columbia.

This expansion of cultivatable land will allow BevCanna to develop into one of the largest outdoor cannabis cultivators in Canada. The Company has in turn increased its anticipated production to 300,000 kg - 400,000 kg of biomass, and a yield of 30,000 kg – 40,000 kg of pure cannabinoids through the finished extract.

"Interest in our BC sun grown cannabis has been exceptionally strong, and we're expanding our cultivation and production capabilities to meet the anticipated demand," said John Campbell, Chief Strategy Officer at BevCanna. "The increased capacity will position BevCanna well to become a leader in the production of high-quality, next-generation products, in the lead-up to Canada's commercialization of such products in 2020."

In conjunction with the additional cultivation capacity, BevCanna has completed a debt settlement with cultivation partner Clearwater CannGrow, in the amount of \$500,000, in exchange for the issuance of 1,000,000 common shares (each, a "Share") at a deemed price of \$0.50 per Share.

"We're very pleased to further strengthen our relationship with Clearwater CannGrow," said John Campbell, Chief Strategy Officer at BevCanna. "Clearwater CannGrow's direct expenditures into our agricultural operation are an incredible sign of confidence and commitment to the operation, and to BevCanna as a whole."

The Shares issued in the debt 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 debt settlement.

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 292-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.

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: BevCanna will partner with agricultural experts Clearwater CannGrow to grow certified organic sun-grown cannabis on the property near Osoyoos, British Columbia; the expansion of cultivatable land will allow BevCanna to develop into one of the largest outdoor cannabis cultivators in Canada according to; the Company has increased its anticipated production to 300,000 kg - 400,000 kg of biomass, and a yield of over 30,000 kg – 40,000 kg of pure cannabinoids through the finished extract; the Company is expanding its cultivation and production capabilities to meet the anticipated demand; the increased capacity will position BevCanna well to become a leader in the production of high-quality, next-generation products, in the lead-up to Canada's commercialization of such products in 2020; 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 commercialization of high-quality, next-generation products in 2020; climate conditions; agricultural conditions; 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 licenses by Health Canada; risks associated with general economic conditions; risks associated with climate and agriculture; changes in consumer preferences; 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.

<http://www.prnewswire.com/news-releases/bevcanna-expands-outdoor-cannabis-cultivation-capabilities-to-almost-300-acres-300979411.html>

SOURCE BevCanna Enterprises Inc.

View original content to download multimedia: <http://www.newswire.ca/en/releases/archive/December2019/26/c8038.html>

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CO: BevCanna Enterprises Inc.

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