

BevCanna Signs Exclusive Agreement with Clearwater Canngrow

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Advances partnership with renowned cannabis cultivator to grow certified organic sun-grown cannabis

VANCOUVER, Feb. 13, 2020 /CNW/ - Emerging leader in infused beverages BevCanna Enterprises Inc. (CSE: BEV, Q:BVNNF, FSE:7BC) ("**BevCanna**" or the "**Company**"), is pleased to announce that it has expanded its previously signed agreement with renowned cannabis cultivator Clearwater Canngrow Ltd. ("**Clearwater**").

BevCanna and Clearwater have entered into an amendment agreement dated February 12, 2020 (the "**Amendment Agreement**") to the consultant agreement (the "**Consultant Agreement**") dated September 16, 2019 which was described in a news release dated September 17, 2019. Under the new agreement, Joey Bedard-Brunet, the principal of Clearwater, has agreed to become a director of BevCanna.

"The exclusive agreement with Clearwater CannGrow will assist BevCanna to more than double its potential cannabis biomass output." said John Campbell, Chief Strategy Officer of BevCanna. "At the same time, we will recoup our original capital expenditures and eliminate all future cash outlays for farm related capital expenditures and operating costs."

"The economics of the amended agreement are compelling. The prior agreement would have net BevCanna an 85% pre-tax profit participation on potential revenues from 130-acres of cannabis production, with all capital and operating expenses on BevCanna's account. The amended agreement gives BevCanna a 50% net revenue participation on 292-acres of cannabis production with no cash outlays whatsoever."

Under the terms of the Amendment Agreement, Clearwater has agreed to:

- provide its services in respect of outdoor cultivation of cannabis exclusively to BevCanna;
- pay for all future capital and operational expenses incurred in connection with the performance of the services under the Consultant Agreement;
- permit BevCanna to retain \$2,000,000 from potential revenue from cannabis cultivated at the Company's outdoor cultivation site prior to the payment of Clearwater's share of potential revenue; and
- the removal of all cash fees and potential cash bonuses previously payable to Clearwater under the original Consultant Agreement;

In exchange, BevCanna has agreed to:

- issue 1,000,000 common shares in the capital of the Company to Clearwater at a deemed price of \$0.50 per share in consideration for the amendments to the Consultant Agreement, including the exclusivity in respect of outdoor cultivation of cannabis;

- one time reimbursement to Clearwater for certain expenses up to \$3,400,000 incurred in connection with the performance of the services under the Consultant Agreement, including initial expected debt settlements in the amount of \$500,000 at a deemed price of \$0.50 per share and \$362,000 at a deemed price of \$0.425 per share, subject to compliance with applicable securities laws and the approval of the Canadian Securities Exchange;
- pay Clearwater an operational cost of \$10,000 per acre of outdoor cultivation site, payable only from potential revenue from cannabis cultivated at the Company's outdoor cultivation site, instead of the cash fees previously payable under the Consultant Agreement;
- increase the share of potential revenue from cannabis cultivated at the Company's outdoor cultivation site payable to Clearwater, from 15 percent to 50 percent;
- reimburse Clearwater for certain expenses in the event of a change of control of the Company; and
- pay Clearwater the previously mentioned operational fee and 50% revenue share in the event of a change of control, for any current year in which the change of control occurs and for the subsequent year.

All securities issued in connection with the Amendment Agreement will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

None of the securities issued in connection with the Amendment Agreement will be registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**"), and none of them may 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.

About BevCanna Enterprises Inc.

BevCanna Enterprises Inc. (CSE: BEV, Q:BVNNF, FSE:7BC) BevCanna Enterprises Inc. 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 Okanagan Valley and the exclusive rights to a pristine spring water aquifer, access to a world-class 40,000-square-foot, HACCP certified manufacturing facility, with a current bottling capacity of up to 210M bottles per annum. BevCanna's vision is to be a global leader in infused innovations.

On behalf of the Board of Directors:

John Campbell, Chief Financial Officer and Chief Strategy Officer
Director, BevCanna Enterprises Inc.

Disclaimer for Forward-Looking Information

This news release contains forward-looking statements under applicable securities laws, including statements that the agreement with Clearwater CannGrow will assist BevCanna to more than double its potential cannabis biomass output to approximately 500,000lbs.; BevCanna will recoup its original capital expenditures and eliminate all future cash outlays for farm related capital expenditures and operating costs; potential debt settlements; 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.

These statements are based on certain assumptions regarding the Company's business; the issuances of licences by Health Canada to the Company under the Cannabis Act; anticipated commercialization of products in 2020; climate conditions; agricultural conditions; expectations with respect to the future growth of recreational cannabis products; and the debt settlements, including receipt of all required approvals, including from the Canadian Securities Exchange. 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. and the Company does not assume any liability for disclosure relating to any other company mentioned herein.

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For further information: For media enquiries or interviews, please contact: Wynn Theriault, Thirty Dash Communications, 416-710-3370, wynn@thirtydash.ca; For investor inquiries, please contact: Luca Leone, BevCanna Enterprises Inc., 604-880-6618, luca@bevcanna.com

CO: BevCanna Enterprises Inc.

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