

BevCanna Secures Financing to Fuel Growth

Continued investment by primary investor group signals ongoing confidence in the cannabis-infused beverage expert

VANCOUVER, April 14, 2020 /CNW/ - Emerging leader in cannabis-infused beverages [BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNF, FSE:7BC) ("BevCanna" or the "Company") announced today that it has closed a non-brokered private placement financing (the "Equity Financing") of \$300,000. The Company also announced the closing of the first tranche of a non-brokered financing (the "Debenture Financing") of secured convertible debentures (each, a "Debenture") for gross proceeds of \$630,000.

"We're very pleased with the confidence that investors have shown in us, especially in these uncertain economic times," said John Campbell, Chief Financial Officer at BevCanna. "We are also very appreciative of the ongoing support and signaled confidence from our vendors and partners who have directly participated in securing our additional financing in a cost effective manner, through the direct use of debt for equity settlements. Our corporate overhead structure is lean and our capital expenditure needs are moderate. These two cornerstones of our business philosophy will help to ensure our future success."

The Equity Financing

Pursuant to the Equity Financing, BevCanna sold 705,879 common shares (each, a "Share") at a price of \$0.425 per Share for gross proceeds of \$300,000. The Company intends to use the proceeds of the Equity Financing for general working capital purposes.

The Debenture Financing

The Debentures will mature on the date that is 36 months from the date of issuance (the "Issue Date") and will bear interest at a rate of 8.0 per cent per annum, accrued and paid semi-annually in arrears in equal instalments at the end of each calendar quarter, commencing on the date of issuance of the Debentures. Repayment of the Debentures will be made on or prior to 5:00 p.m. PST, on the date which is 36 months following the Issue Date (the "Maturity Date").

The principal amount of the Debentures may be convertible, at the election of the holder of the Debentures (the "Debentureholders"), into common shares in the capital of the Company (each, a "Conversion Share"), in whole or in part, at any time following the Issue Date but on or before the Maturity Date at a conversion price of \$0.75 per Conversion Share (the "Conversion Price"). The Debentures are secured by a first ranking charge over the Company's present and after acquired properties, subject to permitted encumbrances.

Further, the Debentures have a mandatory conversion feature such that the Company may elect to automatically convert the principal amount of the Debentures into Conversion Shares at the Conversion Price in the event the volume-weighted average closing of the Shares on the Canadian Securities Exchange is at least \$1.00 per Share for 10 consecutive trading days. All accrued and unpaid interest will be paid in cash. Commencing 18 months after the date of issuance of the Debentures the Company may, at any time and from time to time, at its option, redeem all, or any portion of the Debentures at a price equal to 110 per cent of the principal amount of the Debentures plus all accrued and unpaid interest up to and including the date of redemption, upon not less than 15 days' and not more than 60 days' prior written notice to the Debentureholders. The proceeds of the Debenture Financing will be used for general working capital purposes. The Debentures will not be listed or posted for trading on any exchange.

Debt Settlement

The Company also announces that it has settled debt in the amount of \$758,500 owed by the Company to creditors of the Company in exchange for the issuance of 1,896,250 common (each, a "Debt Settlement Share") at a deemed price of \$0.40 per Debt Settlement Share. Included in the total debt settlement was a settlement of debt in the amount of \$60,000 owed to John Campbell, a director and officer of the Company, for unpaid remuneration for services provided by Mr. Campbell as an officer of the Company, and a settlement of debt in the amount of \$250,000 owed to Naturo Group Investments Inc. ("Naturo"), a company controlled by Marcello Leone, the Chief Executive Officer, Chairman and a director of the Company, in repayment of a strategic advance.

The securities issued in the Equity Financing, the Debenture Financing and 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 transactions.

None of the securities issued in the Equity Financing, the Debenture Financing and the debt settlement 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.

The debt settlements with John Campbell and Naturo (together, the "Settlements") were "related party transactions" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Settlements were 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 Settlements did not exceed 25% of the Company's market capitalization. As the material change report disclosing the Settlements 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 Settlements and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

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 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 information that involves various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties

and are not guarantees of future performance of the Company, such as statements regarding that the two cornerstones of the Company's business philosophy, a lean corporate overhead structure and moderate capital expenditure needs, will help to ensure the Company's future success. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information, including adverse market conditions. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

SOURCE BevCanna Enterprises Inc.

 View original content to download multimedia:
<http://www.newswire.ca/en/releases/archive/April2020/14/c6577.html>

%SEDAR: 00046097E

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.

CNW 02:00e 14-APR-20