

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

April 29, 2020.

Item 3 News Release

The news releases dated April 29, 2020 were disseminated via Cision.

Item 4 Summary of Material Change

The Company announced that it has settled debt in exchange for 492,750 common shares in the capital of the Company (each, a “**Share**”) with Naturo Group Investments Inc. (“**Naturo**”), in repayment of a strategic advance. The payment settles debt in the amount of \$197,100 owed by the Company to Naturo. The Shares were acquired at a deemed price of \$0.40 per Share. Naturo is a company controlled by Marcello Leone, the Chief Executive Officer, Chairman and a director of the Company.

The Company also announced it has settled debt in the amount of \$20,000 owed by the Company to a creditor of the Company in exchange for 50,000 Shares in the capital of the Company at a deemed price of \$0.40 per Share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has settled debt in exchange for 492,750 Shares in the capital of the Company with Naturo, in repayment of a strategic advance. The payment settles debt in the amount of \$197,100 owed by the Company to Naturo. The Shares were acquired at a deemed price of \$0.40 per Share. Naturo is a company controlled by Marcello Leone, the Chief Executive Officer, Chairman and a director of the Company.

The Company also announced it has settled debt in the amount of \$20,000 owed by the Company to a creditor of the Company in exchange for 50,000 Shares in the capital of the Company at a deemed price of \$0.40 per Share.

The securities acquired by Naturo and the creditor 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 transaction.

The Company also announced that it has entered into a marketing and investor relations agreement (the “**Agreement**”) dated April 27, 2020 with Aktiencheck.de AG (the “**Consultant**”) pursuant to which the Consultant has agreed to provide certain corporate branding, marketing, online corporate communications and investor relations services to the Company for a term of one month (the “**Term**”), for total cash consideration of €125,000, €25,000 of which was paid upon entry into the Agreement, with the remaining amount payable over the Term.

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 Naturo 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:*

Naturo Group Investments Inc., a company controlled by an officer and a director of the Company, directly acquired 492,750 Shares in settlement of \$197,100 in repayment of a strategic advance (the “**Naturo Settlement**”). As such, the Naturo Settlement was a “related-party transaction” as such term is defined in MI 61-101. Marcello Leone’s participation in the Naturo 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 Naturo Settlement on the percentage of securities of the Company beneficially owned or controlled by Marcello Leone:

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
Marcello Leone <i>Officer and Director</i>	\$197,100	492,750 common shares	Undiluted: 10,615,461 ⁽¹⁾ Diluted: 13,529,128 ⁽²⁾	Undiluted: 16.62% ⁽³⁾ Diluted: 20.26% ⁽⁴⁾	Undiluted: 11,108,217 ⁽⁵⁾ Diluted: 14,021,884 ⁽⁶⁾	Undiluted: 17.39% ⁽⁷⁾ Diluted: 21.00% ⁽⁸⁾

- ⁽¹⁾ Comprised of: (a) 1,508,050 Shares held directly and (b) 9,107,411 shares held indirectly through Naturo.
- ⁽²⁾ Comprised of: (a) 1,508,050 Shares held directly and (b) 9,107,411 shares held indirectly through Naturo; and (c) options held by Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share, with (i) 1,000,000 exercisable until February 28, 2024, (ii) 100,000 exercisable until July 5, 2022, and 147,000 exercisable at \$0.33 per Share until December 23, 2022 and 1,666,667 exercisable at \$0.30 until March 25, 2023 and all of which may be exercised within the next 60 days, but only to the extent that, if, after giving effect to such exercise, Leone would in the aggregate beneficially own, or exercise control or direction over, that number of voting securities of the Company which is 19.9% or less of the total issued and outstanding voting securities of the Company, immediately after giving effect to such exercise.
- ⁽³⁾ Based on 63,847,367 Shares outstanding prior to the completion of the settlement on April 29, 2020.
- ⁽⁴⁾ Based on 66,761,034 Shares comprised of: (a) 63,847,367 Shares outstanding prior to the completion of the Settlement on April 29, 2020; and (b) options held by Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share, with (i) 1,000,000 exercisable until February 28, 2024, (ii) 100,000 exercisable until July 5, 2022, and 147,000 exercisable at \$0.33 per Share until December 23, 2022 and 1,666,667 exercisable at \$0.30 until March 25, 2023 and all of which may be exercised within the next 60 days, but only to the extent that, if, after giving effect to such exercise, Leone would in the aggregate beneficially own, or exercise control or direction over, that number of voting securities of the Company which is 19.9% or less of the total issued and outstanding voting securities of the Company, immediately after giving effect to such exercise.
- ⁽⁵⁾ Comprised of: (a) 1,508,050 Shares held directly and (b) 9,600,161 shares held indirectly through Naturo.
- ⁽⁶⁾ Comprised of: (a) 1,502,050 Shares held directly and (b) 9,600,161 shares held indirectly through Naturo; and (b) all of the convertible securities of the Company set out in footnote (2) above.
- ⁽⁷⁾ Based on 63,847,367 Shares outstanding after the completion of the settlement on April 29, 2020.
- ⁽⁸⁾ Based on 66,761,034 Shares comprised of: (a) 63,847,367 Shares outstanding after the completion of the settlement on April 29, 2020; and (b) options held by Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share, with (i) 1,000,000 exercisable until February 28, 2024, (ii) 100,000 exercisable until July 5, 2022, and 147,000 exercisable at \$0.33 per Share until December 23, 2022 and 1,666,667 exercisable at \$0.30 until March 25, 2023 and all of which may be exercised within the next 60 days, but only to the extent that, if, after giving effect to such exercise, Leone would in the aggregate beneficially own, or exercise control or direction over, that number of voting securities of the Company which is 19.9% or less of the total issued and outstanding voting securities of the Company, immediately after giving effect to such exercise.
- ⁽⁹⁾ *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 Naturo Settlement was approved by disinterested members of the board of directors of the Company and Marcello Leone abstained on the minutes of the board of directors meeting approving the Naturo Settlement. A special committee was not established in connection with the approval of the Naturo Settlement, and no materially contrary view or abstention was expressed or made by any director.

- (e) *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.

- (f) *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.

- (g) *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 Naturo pursuant to which Naturo subscribed for 492,750 Shares in settlement of \$197,100 in account payable by the Company.

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

- (h) *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 Naturo 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 Naturo Settlement and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

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

5.2 Disclosure for Restructuring Transactions

Not Applicable.

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

John Campbell, Chief Financial Officer
Telephone: 1-604-569-1414

Item 9 Date of Report

May 4, 2020.

Press Release

BevCanna Announces Conversion of Strategic Advance into Shares

Exchange of debt for equity indicates long-term confidence in the infused beverage manufacturer

VANCOUVER, B.C., April 29, 2020. Emerging leader in cannabis-infused beverages [BevCanna Enterprises Inc.](#) (CSE:BEV, O:BVNNF, FSE:7BC) (“BevCanna” or the “Company”) announced today that they have settled debt in exchange for 492,750 common shares in the capital of the Company (each, a “Share”) with Naturo Group Investments Inc. (“Naturo”), in repayment of a strategic advance. The payment settles debt in the amount of \$197,100 owed by the Company to Naturo. The Shares were acquired at a deemed price of \$0.40 per Share. Naturo is a company controlled by Marcello Leone, the Chief Executive Officer, Chairman and a director of the Company.

“Repaying the strategic advance through equity represents a good opportunity to strengthen our balance sheet and preserve liquidity during these uncertain times,” said John Campbell, Chief Financial Officer of BevCanna. “We’re pleased to have Naturo Group as a continued partner, and their interest in acquiring additional equity is a strong indicator of their long-term confidence in the solid market position we are building in this emerging industry.”

The securities acquired by Naturo 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 transaction.

None of the securities acquired by Naturo in 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 settlement with Naturo (the “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 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 Settlements 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.

BevCanna also announced today that it has entered into a marketing and investor relations agreement (the "Agreement") dated April 27, 2020 with Aktiencheck.de AG (the "Consultant") pursuant to which the Consultant has agreed to provide certain corporate branding, marketing, online corporate communications and investor relations services to the Company for a term of one month (the "Term"), for total cash consideration of €125,000, €25,000 of which was paid upon entry into the Agreement, with the remaining amount payable over the Term.

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.

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

Press Release

BevCanna Announces Extension to Filing of Annual Financial Statements and MD&A

VANCOUVER, BC, April 29, 2020. Emerging leader in infused cannabis beverages, [BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNF, FSE:7BC) ("BevCanna" or the "Company") announces that it is relying upon the exemption published by the British Columbia Securities Commission on March 23, 2020 to the requirement to file audited annual financial statements and MD&A on or before the 120th day after the end of its most recently completed financial year. The Company anticipates it will file on or before May 29, 2020.

The Company confirms that management and other insiders are subject to a trading black-out that reflects the principles in section 9 of National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions. The Company further confirms there have been no undisclosed material business developments since November 27, 2019, the date of filing the Company's third quarter interim financial statements.

The Company also announces it has settled debt in the amount of \$20,000 owed by the Company to a creditor of the Company in exchange for 50,000 common shares in the capital of the Company (each, a "Share") at a deemed price of \$0.40 per Share.

The securities acquired by the creditor 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 transaction.

None of the securities acquired by the creditor in 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.

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 210M bottles per annum.

On behalf of the Board of Directors:

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

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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. Forward-looking statements made in this news release relate to the anticipated timing of the filing of the Company's audited annual financial statements and MD&A for its most recently completed financial year and other matters relating to the Company's business plans. 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.