

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

May 7, 2020.

Item 3 News Release

The news releases dated May 7, 2020 were disseminated via Cision.

Item 4 Summary of Material Change

The Company announced that it has signed an agreement with Maritime-based licensed cannabis producer Argentia Gold Corp. ("**Argentia**") to exclusively represent the Company's line of cannabis-infused beverages in Newfoundland, Prince Edward Island and New Brunswick. The two companies have entered a nonbinding letter of intent for Argentia to distribute and sell the Company's products across the three provinces, with the intent of signing a definitive agreement within the next 45 days.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

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 8, 2020.

BevCanna Partners with Argentia Gold to Bring Line of Cannabis-Infused Beverages to the Atlantic Provinces

Signs LOI with Maritime-based licensed distributor to exclusively represent BevCanna's products in Newfoundland, Prince Edward Island and New Brunswick

VANCOUVER, May 7, 2020 /CNW/ - Emerging leader in cannabis-infused beverages, [BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNF, FSE:7BC) ("BevCanna" or the "Company") announced today it has signed an agreement with Maritime-based licensed cannabis producer [Argentia Gold Corp.](#) ("Argentia") to exclusively represent BevCanna's line of cannabis-infused beverages in Newfoundland, PEI and New Brunswick. The two companies have entered a non-binding letter of intent (the "LOI") for Argentia to distribute and sell BevCanna products across the three provinces, with the intent of signing a definitive agreement (the "Agreement") within the next 45 days.

With consumption rates for cannabis among the highest in Canada (25.9 per cent for Newfoundland and 20.9 per cent for PEI), the Atlantic provinces represent an attractive market for cannabis-infused product producers like BevCanna. The market for cannabis is anticipated to expand to \$56M annually in New Brunswick by 2025, \$49M in Newfoundland and \$21M per year in PEI. BevCanna chose Argentia Gold for their strong knowledge of the Atlantic cannabis markets and their sales strategy for the nearly 50 Licensed Retailers across the three provinces. Engaging an experienced partner in the region will also allow BevCanna to focus on other significant Canadian markets, while building exposure and revenue in the Atlantic provinces.

"Argentia is the ideal partner for us in the burgeoning Atlantic market," said John Campbell, Chief Strategic Officer for BevCanna. "They have an unparalleled knowledge of the regional cannabis landscape and a detailed understanding of the distribution network. They also have excellent relationships with the provincial bodies in these provinces, which will assist us as we focus on building our presence in the region."

"We're excited to bring BevCanna's innovative and diverse cannabis-infused beverage portfolio to the Atlantic region," commented Dave Thomson, Head of Business Development for Argentia Gold. "We are laser focused on bringing the same high-quality, in-demand products that are being sold in the larger Canadian markets to the Atlantic provinces, and we expect BevCanna's upcoming line of beverages to be extremely popular with consumers."

Terms of the Agreement

- BevCanna and Argentia intend to enter into an exclusive distribution agreement, to distribute and sell BevCanna products in the provinces of Newfoundland, PEI, and New Brunswick
- BevCanna will provide finished cannabis and/or cannabis extract products
- Argentia will provide supply chain, distribution, and sales infrastructure and services in the specified provinces
- In consideration for such infrastructure and services provided by Argentia, BevCanna will pay a service fee of 15 per cent, with up to an additional 5 per cent bonus to be paid based upon the achievement of mutually agreed sales milestones
- Additional commercial terms will be outlined in the Agreement
- Entry into the Agreement is subject to satisfactory completion of, among other things:
 - Due diligence investigations by each partner;

- Negotiation of the Agreement; and
- Approval by each partner's board of directors.

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 resonate 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.

About Argentina

Argentia Gold Corporation is a licensed producer in Newfoundland and Labrador. Its facility, a former U.S. naval base turned industrial park on the deep-water Port of Argentia, encompasses approximately 80,000 square feet on 10 acres of land.

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 intention to enter into the Agreement, and the timing thereof; that the market for cannabis is anticipated to expand to \$56M annually in New Brunswick by 2025, \$49M in Newfoundland and \$21M per year in PEI; that engaging an experienced partner in the region will also allow BevCanna to focus on other significant Canadian markets, while building exposure and revenue in the Atlantic provinces; the burgeoning Atlantic market; Argentia's excellent relationships with the provincial bodies in these provinces will assist BevCanna as it focuses on building its presence in the region; the expectation that BevCanna's upcoming line of beverages to be extremely popular with consumers; statements with respect to the Agreement and its contemplated terms, including that BevCanna will provide finished cannabis and/or cannabis extract products; Argentia will provide supply chain, distribution, and sales infrastructure and services in the specified provinces; and the consideration payable thereunder; 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 the inability of the parties to enter into the Agreement; the inability of the Company to obtain necessary licences from Health Canada with respect to cannabis; and 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.

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

CO: BevCanna Enterprises Inc.

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