

**51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

BevCanna Enterprises Inc. (the “**Company**”)  
PO Box 34061 Vancouver D CSC  
Vancouver, British Columbia V6J 4M1

**Item 2 Date of Material Change**

December 17, 2020.

**Item 3 News Release**

The news release dated December 17, 2020 was disseminated via Cision.

**Item 4 Summary of Material Change**

The Company announced that its recently announced acquisition of Naturo Group Inc. will close on or before January 20, 2021. The coming together of these two industry leaders will create a comprehensive health and wellness beverage and natural products company, one that generates significant value for both organizations and brings together two exceptionally experienced and innovative leadership teams.

**Item 5 Full Description of Material Change.**

*5.1 Full Description of Material Change*

The Company announced that its recently announced acquisition of Naturo Group Inc. will close on or before January 20, 2021. The coming together of these two industry leaders will create a comprehensive health and wellness beverage and natural products company, one that generates significant value for both organizations and brings together two exceptionally experienced and innovative leadership teams.

The new BevCanna will now offer one of the most unique and diverse portfolios of beverage and wellness products within both the cannabis and the plant-based categories, and will catapult BevCanna into the unique position of becoming the only fully licensed, in-house and white-label beverage manufacturing company that distributes both conventional and cannabis-based beverage and wellness products. The merger will provide access to global, multi-channel distribution networks of traditional and cannabis sales channels.

Key benefits that BevCanna will realize from the acquisition include:

- Creation of a “development to distribution” beverage manufacturing vertical for both traditional and cannabis-infused beverages and natural products
- Direct ownership of a proprietary on-site natural alkaline spring water aquifer, valued at \$18M. As water resources become increasingly scarcer, BevCanna expects that the

proprietary resource will contribute to a strengthened balance sheet and to BevCanna's unique positioning within the exploding plant-based and cannabis sectors.

- An established and growing mass market distribution network of over 3,000 retail points, via Naturo's market-leading TRACE plant-based fulvic and humic mineral beverage. TRACE is sold across the country through Canadian retailers, with select international agreements and partnerships under review. Along with their nationally distributed alkaline and sparkling waters, TRACE is expanding its product selection to nutraceuticals and is incorporating additional nutraceuticals and herbal remedies, including cannabinoids, adaptogens, and nootropics, into its products to be sold in domestic and international markets.
- TRACE'S proprietary Health Canada-approved plant-based fulvic and humic formulation – a category which is expanding exponentially across North America and globally
- Naturo's 315-acres of outdoor cultivatable land and 40,000 sq. ft. high-capacity beverage facility valued at \$10.4M, optimized for both traditional and cannabis-infused beverage manufacture, and beverage manufacturing equipment valued at \$3.4M (as of year-end).

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**

December 17, 2020.

# BevCanna Anticipates to Close Landmark Acquisition of Naturo Group by January 20, 2021

*The combination of two beverage and natural health product leaders will create a global comprehensive health and wellness platform*

VANCOUVER, BC, December 17, 2020. Emerging leader in infused cannabis beverages, [BevCanna Enterprises Inc. \(CSE:BEV, Q:BVNNF, FSE:7BC\)](#) (“**BevCanna**” or the “**Company**”) announces today that its recently announced acquisition of Naturo Group Inc. will close on or before January 20, 2021. The coming together of these two industry leaders will create a comprehensive health and wellness beverage and natural products company, one that generates significant value for both organizations and brings together two exceptionally experienced and innovative leadership teams.

“Bringing these two leaders within the Canadian beverage industry together will unlock significant potential for growth,” said Don Wood, Advisory Board Member of BevCanna and former CEO of Arrowhead Spring Water. “Consumers continue to flock to health and wellness focused products, and BevCanna’s wide range, including the innovative TRACE offering, with its proprietary plant-based mineral beverage, alkaline and sparkling beverages, and natural supplements, is a perfect fit for this progressive market.”

The new BevCanna will now offer one of the most unique and diverse portfolios of beverage and wellness products within both the cannabis and the plant-based categories, and will catapult BevCanna into the unique position of becoming the only fully licensed, in-house and white-label beverage manufacturing company that distributes both conventional and cannabis-based beverage and wellness products. The merger will provide access to global, multi-channel distribution networks of traditional and cannabis sales channels.

“We’re very excited to finally realize our transformation into a comprehensive health and wellness beverage and natural products company,” said John Campbell, CSO of BevCanna. “The two companies have significant synergies that combine to create an exceptionally strong new organization, with a range of appealing products, an unmatched distribution network and a unique portfolio of assets.”

Key benefits that BevCanna will realize from the acquisition include:

- Creation of a “development to distribution” beverage manufacturing vertical for both traditional and cannabis-infused beverages and natural products
- Direct ownership of a proprietary on-site natural alkaline spring water aquifer, valued at \$18M. As water resources become increasingly scarcer, BevCanna expects that the proprietary resource will contribute to a strengthened balance sheet and to BevCanna’s unique positioning within the exploding plant-based and cannabis sectors.
- An established and growing mass market distribution network of over 3,000 retail points, via Naturo’s market-leading TRACE plant-based fulvic and humic mineral beverage. TRACE is sold across the country through Canadian retailers, with select international agreements and partnerships under review. Along with their nationally distributed alkaline and sparkling waters, TRACE is expanding its product selection to nutraceuticals and is incorporating additional nutraceuticals and herbal remedies, including cannabinoids, adaptogens, and nootropics, into its products to be sold in domestic and international markets.
- TRACE’S proprietary Health Canada-approved plant-based fulvic and humic formulation – a category which is expanding exponentially across North America and globally
- Naturo’s 315-acres of outdoor cultivatable land and 40,000 sq. ft. high-capacity beverage facility valued at \$10.4M, optimized for both traditional and cannabis-infused beverage manufacture, and beverage manufacturing equipment valued at \$3.4M (as of year-end).

## **About BevCanna Enterprises Inc.**

BevCanna Enterprises Inc. (CSE:BEV, OTCQB: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 owns 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 also recently acquired US natural health and wellness e-commerce platform Pure Therapy. 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 Inc.  
416-710-3370  
[wynn@thirtydash.ca](mailto:wynn@thirtydash.ca)

### **For investor enquiries, please contact:**

Luca Leone, BevCanna Enterprises Inc.  
604-880-6618  
[luca@bevcanna.com](mailto:luca@bevcanna.com)

## **Disclaimer for Forward-Looking Information**

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements in this news release include statements regarding: the proposed terms of the acquisition of Naturo and the anticipated timing of the closing of thereof; the future business plans of Naturo and BevCanna; and the perceived benefits of combining the businesses of Naturo and BevCanna. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements.

Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include, among other things: that the CSE may not approve the acquisition of Naturo as proposed or at all; that the parties may not be able to satisfy the conditions to closing of the acquisition of Naturo, including approval by the shareholders of one or both parties, as applicable; general market conditions and volatility of commodity prices; and other factors beyond the control of the parties. The Company expressly 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 applicable law.

*NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES*