

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

May 5, 2021.

Item 3 News Release

The news release dated May 5, 2021 was disseminated via Cision.

Item 4 Summary of Material Change

The Company announced that it has settled debt (the “**Debt Settlement**”) in the amount of \$473,414 owed by the Company to certain creditors of the Company in exchange for 614,825 common shares (each, a “**Debt Settlement Share**”) at a deemed price of \$0.77 per Debt Settlement Share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced a debt settlement in the amount of \$473,414 owed by the Company to certain creditors of the Company in exchange for 614,825 common shares (each, a “**Debt Settlement Share**”) at a deemed price of \$0.77 per Debt Settlement Share.

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

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 is to settle debt owed to certain creditors 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:*

a. *the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:*

Marcello Leone, an officer and a director of the Company, directly acquired 102,273 Shares in settlement of \$78,750 in accounts payable to him, for services rendered as an officer of the Company. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. Mr. Leone's participation in the Debt Settlement was approved by disinterested members of the board of directors of the Company.

John Campbell, an officer and a director of the Company, directly acquired 81,818 Shares in settlement of \$63,000 in accounts payable to him, for services rendered as an officer of the Company. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. Mr. Campbell's participation in the Debt Settlement was approved by disinterested members of the board of directors of the Company.

Melise Panetta, an officer of the Company, indirectly through Melise Panetta Consulting, a company wholly owned by Ms. Panetta, acquired 29,975 Shares in settlement of \$20,001 in accounts payable to him, for services rendered as an officer of the Company. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. Ms. Panetta's participation in the Debt Settlement was approved by the board of directors of the Company.

b. *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 Debt Settlement on the percentage of securities of the Company beneficially owned or controlled by Mr. Leone, Mr. Campbell and Ms. Panetta:

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>	\$78,750	102,273 common shares	Undiluted: 987,524 ⁽¹⁾ Diluted: 1,387,524 ⁽²⁾	Undiluted: 0.57% ⁽³⁾ Diluted: 0.80% ⁽⁴⁾	Undiluted: 1,089,797 ⁽⁵⁾ Diluted: 1,489,797 ⁽⁶⁾	Undiluted: 0.63% ⁽⁷⁾ Diluted: 0.86% ⁽⁸⁾
John Campbell <i>Officer and Director</i>	\$63,000	81,818 common shares	Undiluted: 1,939,500 ⁽⁹⁾ Diluted: 2,614,500 ⁽¹⁰⁾	Undiluted: 1.12% ⁽³⁾ Diluted: 1.51% ⁽¹¹⁾	Undiluted: 2,021,318 ⁽¹²⁾ Diluted: 2,696,318 ⁽¹³⁾	Undiluted: 1.17% ⁽⁷⁾ Diluted: 1.55% ⁽¹⁴⁾
Melise Panetta <i>Officer</i>	\$20,001	25,975 common shares	Undiluted: 30,956 ⁽¹⁵⁾ Diluted: 630,956 ⁽¹⁶⁾	Undiluted: 0.02% ⁽³⁾ Diluted: 0.36% ⁽¹⁷⁾	Undiluted: 56,931 ⁽¹⁸⁾ Diluted: 656,931 ⁽¹⁹⁾	Undiluted: 0.03% ⁽⁷⁾ Diluted: 0.38% ⁽²⁰⁾

- (1) Shares held directly.
- (2) Comprised of: (a) 987,524 Shares held directly, (b) 300,000 stock options (each, an **"Option"**) held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024.
- (3) Based on 172,814,271 Shares outstanding prior to the completion of the Debt Settlement on May 5, 2021.
- (4) Based on 173,214,271 Shares comprised of: (a) 172,814,271 Shares outstanding prior to the completion of the Debt Settlement on May 5, 2021; and (b) 300,000 Options held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024.
- (5) Shares held directly.
- (6) Comprised of: (a) 1,089,797 Shares held directly; and (b) 300,000 Options held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024.
- (7) Based on 173,429,096 Shares outstanding after the completion of the Debt Settlement on May 5, 2021.
- (8) Based on 173,829,096 Shares comprised of: (a) 173,429,096 Shares outstanding after the completion of the Debt Settlement on May 5, 2021; and (b) 300,000 Options held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Leone, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024.
- (9) Comprised of: (a) 550,000 Shares held directly, and (b) 1,389,500 Shares held jointly by Campbell and Shen-Wen Lin.
- (10) Comprised of: (a) 550,000 Shares held directly, and (b) 1,389,500 Shares held jointly by Mr. Campbell and Shen-Wen Lin; (b) 125,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until July 5, 2022, (c) 50,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until October 25, 2022, and (d) 400,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share until November 20, 2021.
- (11) Based on 173,489,271 Shares comprised of: (a) 172,814,271 Shares outstanding prior to the completion of the Debt Settlement on May 5, 2021; and (b) 125,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until July 5, 2022, (c) 50,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until October 25, 2022, and (d) 400,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share until November 20, 2021.
- (12) Comprised of: (a) 631,818 Shares held directly, and (b) 1,389,500 Shares held jointly by Campbell and Shen-Wen Lin.
- (13) Comprised of: (a) 550,000 Shares held directly, (b) 1,389,500 Shares held jointly by Mr. Campbell and Shen-Wen Lin; and (b) 125,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until July 5, 2022, (c) 50,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until October 25, 2022, and (d) 400,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share until November 20, 2021.
- (14) Based on 174,104,096 Shares comprised of: (a) 173,429,096 Shares outstanding after the completion of the Debt Settlement on May 5, 2021; and (b) 125,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until February 28, 2024, and (c) 100,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until July 5, 2022, (c) 50,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until October 25, 2022, and (d) 400,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share until November 20, 2021.
- (15) Shares held directly.

- ⁽¹⁶⁾ Comprised of: (a) 30,956 Shares held directly; and (b) 600,000 Options held by Ms. Panetta, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share, and all of which may be exercised within the next 60 days.
- ⁽¹⁷⁾ Based on 173,414,271 Shares comprised of: (a) 172,814,271 Shares outstanding prior to the completion of the Debt Settlement on May 5, 2021; and (b) 600,000 options held by Ms. Panetta, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share, all of which may be exercised within the next 60 days.
- ⁽¹⁸⁾ Comprised of: (a) 30,956 Shares held directly, and (b) 25,975 Shares held indirectly in the name of Melise Panetta Consulting ("**Panetta Consulting**"), a company owned by Ms. Panetta.
- ⁽¹⁹⁾ Comprised of: (a) 30,956 Shares held directly, (b) 25,975 Shares held indirectly in the name of Panetta Consulting, and (c) 600,000 options held by Ms. Panetta, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share, all of which may be exercised within the next 60 days.
- ⁽²⁰⁾ Based on 174,029,096 Shares comprised of: (a) 173,429,096 Shares outstanding after the completion of the Debt Settlement on May 5, 2021; and (b) 600,000 options held by Ms. Panetta, each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share, all of which may be exercised within the next 60 days.

(e) 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 Debt Settlement was approved by disinterested members of the board of directors of the Company and Mr. Leone and Mr. Campbell abstained on the resolution of the board of directors approving the Debt Settlement as it related to their respective interests. A special committee was not established in connection with the approval of the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director.

(f) 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.

(g) 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:

a. that has been made in the 24 months before the date of the material change report:

Not applicable.

b. the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) 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 Mr. Leone pursuant to which Mr. Leone subscribed for 102,273 Shares in settlement of \$78,750 in account payable by the Company.

The Company entered into a debt settlement and subscription agreement with Mr. Campbell pursuant to which Mr. Campbell subscribed for 81,818 Shares in settlement of \$63,000 in account payable by the Company.

The Company entered into a debt settlement and subscription agreement with Ms. Panetta pursuant to which Ms. Panetta subscribed for 29,975 Shares in settlement of \$20,001 in account payable by the Company.

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

- (i) *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 Debt 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 Debt Settlement insofar as it involves interested parties 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 Debt Settlement and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

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 10, 2021.

BevCanna's Naturo Group to Launch Market-Leading TRACE Brand into U.S. Market

Global demand for plant-based functional products accelerating plan to scale the brand internationally

VANCOUVER, British Columbia--(BUSINESS WIRE)--May 5, 2021--Emerging leader in innovative health and wellness beverages and products, BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) ("**BevCanna**" or the "**Company**") is excited to announce the anticipated launch of its market-leading TRACE brand in the U.S., initially through its new e-commerce website and subsequently in natural specialty and retail stores nationally.

TRACE continues to see market share growth in the Canadian plant-based mineral category, and BevCanna is now setting its sights on the burgeoning U.S. market for plant-based functional beverages and nutraceuticals. The significant demand for this innovative category of wellness-focused beverages and nutraceuticals has accelerated the Company's plan to scale the TRACE brand internationally secure a global leadership position.

"We're thrilled to introduce the TRACE brand to U.S. consumers, both through our e-commerce channel, and subsequently in retailers nationwide," said Melise Panetta, President of BevCanna. "The demand for plant-based functional products in the U.S. is growing at a rapid pace, and our proprietary TRACE mineral formulation provides the wellness benefits that consumers are looking for. We're already seeing significant interest from distributors, and expect this to intensify as awareness of the TRACE brand grows."

BevCanna is currently developing a U.S. facing e-commerce website, and is also in active discussions with a number of U.S. distributors, with a focus on penetrating both natural specialty and traditional retailers.

The TRACE suite of products will initially focus on their line of plant-based mineral beverages and nutraceuticals, including RTD beverages, shots, and mineral concentrate, along with new products under development.

Each of TRACE's plant-based products include TRACE's proprietary fulvic and humic mineral formula, sourced from ancient organic compounds which are highly concentrated sources of trace minerals. Recognized benefits of the Health Canada-approved formulations include improvements to cognitive performance, gut health and immune function, and stimulating the body to better metabolize carbohydrates, fats and proteins.

Gut Health - positively affects gut bacteria, promotes cellular health and nutrient absorption

Immune Function – replenishes and floods the body with trace minerals, boosting antioxidants to prevent oxidative stress and helping to maintain a healthy immune system

Cognitive Performance - shown to help protect against cognitive degeneration and decline, keeping the mind sharp

Whole Body Wellness - naturally eliminate harmful substances that may be found in the bloodstream, assisting in their removal from the body.

About BevCanna Enterprises Inc. |

BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) is a diversified health & wellness beverage and natural products company. BevCanna develops and manufactures a range of plant-based and cannabinoid beverages and supplements for both in-house brands and white-label clients.

With decades of experience creating, manufacturing and distributing iconic brands that resonate with consumers on a global scale, the team demonstrates an expertise unmatched in the nutraceutical and cannabis-infused beverage categories.

Based in British Columbia, Canada, BevCanna owns a pristine alkaline spring water aquifer and a world-class 40,000-square-foot, HACCP certified manufacturing facility, with a bottling capacity of up to 210M bottles annually. BevCanna's extensive distribution network includes more than 3,000 points of retail distribution through its market-leading TRACE brand, its Pure Therapy natural health and wellness e-commerce platform, its fully licensed Canadian cannabis manufacturing and distribution network, and a partnership with #1 U.S. cannabis beverage company Keef Brands.

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: global demand for plant-based functional products accelerating plan to scale the brand internationally; the anticipated launch of its market-leading TRACE brand in the U.S., initially through its new e-commerce website and subsequently in natural speciality and retail stores nationally; market share growth in the Canadian plant-based mineral category; the burgeoning U.S. market for plant-based functional beverages and nutraceuticals; the significant demand for this innovative category of wellness-focused beverages and nutraceuticals has accelerated the Company's plan to scale the TRACE brand internationally secure a global leadership position; that the demand for plant-based functional products in the U.S. is growing at a rapid pace; the Company's proprietary TRACE mineral formulation provides the wellness benefits that consumers are looking for; that the Company is seeing significant interest from distributors, and expect this to intensify as awareness of the TRACE brand grows; that BevCanna is currently developing a U.S. facing e-commerce website, and is also in active discussions with a number of U.S. distributors, with a focus on penetrating both natural specialty and traditional retailers; that the TRACE suite of products will initially focus on their line of plant-based mineral beverages and nutraceuticals, including RTD beverages, shots, and mineral concentrate, along with new products under development; and other statements regarding the business plans of the Company. 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: general market conditions; changes to consumer preferences; volatility of commodity prices; 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; inability to successfully negotiate and enter into commercial arrangements with other parties; and other factors beyond the control of the Company and its commercial partners. 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.

The Company announces that it has settled debt (the “Debt Settlement”) in the amount of **\$473,414** owed by the Company to certain creditors of the Company in exchange for **614,825** common shares (each, a “Debt Settlement Share”) at a deemed price of \$0.77 per Debt Settlement Share.

Of the Debt Settlement Shares, 434,091 are subject to a hold period of four months and one day from the date of issuance and 180,734 are not subject to any hold period.

The debt settlements with two directors (collectively, the “Director 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 Director 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 common 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 Director Settlements did not exceed 25% of the Company’s market capitalization. As the material change report disclosing the Director 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 Director Settlements and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company’s financial position.

None of the securities acquired 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.

Contacts

On behalf of the Board of Directors:

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Director, BevCanna Enterprises Inc.

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