

## **BevCanna’s Naturo Group Signs Supply Agreement with B.C. Ministry of Forests to Supply B.C. Firefighters Limited-Edition TRACE Alkaline Water**

*Government supply agreement will see BevCanna’s Naturo Group supply B.C. firefighters with limited-edition TRACE branded natural alkaline spring waters sourced directly from its pristine B.C. Interior aquifer*

VANCOUVER, British Columbia--(BUSINESS WIRE)--July 28, 2021--Emerging leader in innovative health and wellness beverages and products, BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) (“**BevCanna**” or the “**Company**”) announces today that the Company’s wholly-owned subsidiary, Naturo Group, has been selected by the British Columbia Ministry of Forests, Lands, Natural Resource Operations and Rural Development, and has commenced manufacturing and delivery of a Special Limited Edition TRACE-branded white-label water for the Ministry’s Wildfire Services Division.

The B.C. Ministry of Forests, Lands, Natural Resource Operations and Rural Development is responsible for the stewardship of provincial Crown land and ensures the sustainable management of forest, wildlife, water and other land-based resources. Internationally recognized as a leader in wildfire management, the BC Wildfire Service employs 1,100 Type 1 Firefighters, and responds to nearly 1,600 wildfires annually on behalf of the Province of B.C.

“We’re pleased that we’ve been awarded the contract with BC Wildfire Service,” said Melise Panetta, President of BevCanna. “We are proud to be providing the firefighters with a special edition of our TRACE-branded natural 7.7ph alkaline spring water, sourced directly from our proprietary B.C. Interior aquifer – the very land and forest that they work so hard to keep safe. We think that’s its very fitting that these heroes will be kept hydrated with B.C.’s own TRACE-branded water. We’ve already begun production and delivery to the firefighters.”

### **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 alkaline, 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: the agreement with British Columbia Ministry of Forests, Lands, Natural Resource Operations and Rural Development and its terms and anticipated benefits; 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; and volatility of commodity prices; and other factors beyond the control of the parties. 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 also announced today that it has completed a shares issuance for debt exchange. The Company settled debt (the "**Debt Settlement**") in the amount of \$629,340.02 owed by the Company to certain creditors of the Company in exchange for 1,144,255 common shares (each, a "**Debt Settlement Share**") at a deemed price of \$0.55 per Debt Settlement. Of the Debt Settlement Shares, 257,727 are subject to a hold period of four months and one day from the date of issuance and 886,528 are not subject to any hold period.

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.

The debt settlements with John Campbell and Marcello Leone (together, 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.

## **Contacts**

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