

BevCanna Signs Agreement with Canada's Leading Cannabis Sales Agency, Velvet Management

The premier cannabis marketing agency will be instrumental in building national brand awareness and accelerating BevCanna's sales penetration

VANCOUVER, British Columbia--(BUSINESS WIRE)--September 13, 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 it has entered into a sales services agreement with Canada’s leading cannabis sales agency, Velvet Management Inc.

Velvet Management is a premier full-service cannabis marketing agency that represents Canadian Licensed Producers at all levels of selling and marketing, to government buyers and private retailers. A privately-owned company with a brokerage/agency model, Velvet works with premium licensed producers and processors nationally, including The Valens Company (TSX:VLNS), Citizen Stash, The Green Organic Dutchman (TSX:TGOD), Harvest One (TSXV:HVT), FIGR (OTC:PYYX), Sugarbud (CSE:SUGR), and Collective Project.

Velvet will take on the role of BevCanna’s “feet on the street” retail sales force across Canada, representing BevCanna’s house brands, including their award-winning partner and #1 selling US beverage brand, Keef Brands.¹ As BevCanna’s representative, Velvet has begun pre-sales of the soon-to-launch Keef Brands across key markets; building awareness and providing marketing information and trade tools to retailers to drive sales of BevCanna products. BevCanna will also invest in Health Canada-compliant product sampling and budtender education, driving purchases through budtender recommendations.

“Engaging Velvet, a leading agency in the Canadian market, will accelerate our sales penetration nationally and build awareness through their substantial network of retailers,” said Melise Panetta, President of BevCanna. “Velvet has already begun to pre-sell BevCanna products in key provinces including Ontario, Canada’s largest market for cannabis products, and as we launch the Keef brand across the country, Velvet will expand our reach into a wider range of retailers in each province.”

¹ BDSA

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: that Velvet Management will be instrumental building national brand awareness and accelerating BevCanna's sales penetration; that as BevCanna's representative, Velvet has begun pre-sales of the soon-to-launch Keef Brands across key markets, building awareness, and providing marketing information and trade tools to retailers to drive sales of BevCanna products; that BevCanna will also invest in Health Canada-compliant product sampling and budtender education, driving purchases through budtender recommendations; that Velvet will expand the Company's reach into a wider range of retailers in each province; 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 entered into a promotion and investor relations agreement (the “Agreement”) dated June 23, 2021, with TruTap LLC (the “Consultant”) pursuant to which the Consultant agreed to provide certain promotion, corporate branding, marketing, online corporate communications and investor relations services to the Company for a term of one month (the “Term”) commencing on July 1, 2021, for total cash consideration of US\$82,000, which was paid upon entry into the Agreement. The Consultant’s contact information is as follows: TruTap LLC, Contact Person: Adriel Simeon, Tel: 1(334)258.8149, 1159 Brook Drive West, Dunedin, FL 34698. The services to be provided by the Consultant may include lead generation, data segmentation, event-based optimization, paid advertising and paid media relationships, and may be provided through external portals and financial media, online presentations, and other platforms and media.

The Company settled debt (the “Debt Settlement”) in the amount of \$400,194.21 owed by the Company to certain creditors of the Company in exchange for 873,335 common shares (each, a “Debt Settlement Share”) at a deemed price of \$0.45 per Debt Settlement Share and 13,077 Debt Settlement Shares at a deemed price of \$0.55 per Debt Settlement Share. 523,077 of the Debt Settlement Shares are subject to a hold period of four months and one day from the date of issuance.

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, Melise Panetta and Marcello Leone (collectively, the “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 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 Settlements did not exceed 25% of the Company’s market capitalization. As the material change report disclosing the 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 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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