

BevCanna To Launch TRACE Line of Beverages in Healthy Planet Locations Across Ontario

TRACE line to roll out at the popular natural products retailer in first quarter of 2022

VANCOUVER, BC. February 23, 2022. Innovative health and wellness beverages and products company, [BevCanna Enterprises Inc. \(CSE:BEV, Q:BVNNE, FSE:7BC\)](#) (“BevCanna” or the “Company”) announces today that one of Ontario’s leading natural products retailers, Healthy Planet, will list a number of TRACE SKUs in their locations. Healthy Planet currently has 34 locations in the Greater Toronto Area, with additional stores opening in 2022.

Healthy Planet is a Canadian-based natural products retailer with a passion for health and wellness. By providing the highest quality vitamins, supplements and remedies for all lifestyle needs, Healthy Planet has a goal of making high-quality products readily available and affordable for consumers far and wide. Healthy Planet’s goal is to make the world healthier and greener one day at a time.

“We’re so pleased that such a well-regarded natural products retailer as Healthy Planet has chosen the TRACE line of products for their stores,” said Melise Panetta, President of BevCanna. “This is a great validation of BevCanna’s wellness offering and an important milestone for our products and overall wellness brand. We look forward to working closely with Healthy Planet on expanding our health and wellness line within their stores as we evolve into a true leader in the category.”

BevCanna will initially launch five of its TRACE SKUs in Healthy Planet stores, including the 500ml and 355 ml TRACE Mineralized Spring Waters, the 500 ml and 1L TRACE Alkaline Spring Waters, and the 60ml TRACE Immune Support Shots, with additional SKUs under consideration for future expansion.

About BevCanna Enterprises Inc.

[BevCanna Enterprises Inc. \(CSE:BEV, Q:BVNNE, FSE:7BC\)](#) 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.

Based in British Columbia, Canada, BevCanna owns a pristine alkaline spring water aquifer and a high capacity 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.

Forward-Looking Disclaimer

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 Company’s expansion into the in the health and wellness industry, the Company’s imminent distribution of their TRACE products to Healthy Planet and Healthy Planet’s consideration for additional SKUs in the future. 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 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.

Debt Settlement and Stock Options

The Company settled debt (the “Debt Settlement”) in the amount of \$1,368,226.35 owed by the Company to certain creditors of the Company in exchange for 6,839,126 common shares (each, a “Debt Settlement Share”) at a deemed price of \$0.20 per Debt Settlement Share.

In addition, the Company announced today that it has granted (the “Grant”) an aggregate of 2,000,000 stock options (each, an “Option”) to purchase up to 2,000,000 common shares of the Company to certain directors, officers, employees and consultants of the Company. The Options granted vest immediately upon the Grant and are exercisable for a period of 16 months from the date of Grant at a price of \$0.20 per common share.

The Debt Settlement Shares, Options and common shares issuable upon exercise of the Options are not subject to any trade restrictions in accordance with securities laws.

None of the securities acquired in the Debt Settlement or the Grant 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, Martino Ciambrelli, Howard Blank, William Macdonald, Marcello Leone, Melise Panetta Consulting, a company controlled by Melise Panetta and Waterfront Capital Partners Inc., a company controlled by Douglas Mason (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.

On behalf of the Board of Directors:

John Campbell, Chief Financial Officer and Chief Strategy Officer

Director, BevCanna Enterprises Inc.

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