

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

BevCanna Enterprises Inc. (the “**Company**”)
PO Box 33957 Vancouver D CSC
Vancouver, BC, V6J 4L7

Item 2 Date of Material Change

February 23, 2022.

Item 3 News Release

The news release dated February 23, 2022 was disseminated via Stockwatch and BayStreet.

Item 4 Summary of Material Change

The Company announced that it has 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.

The Company also announced 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 a certain director and officer and consultant of the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced a 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 Debt Settlement Shares at a deemed price of \$0.20 per Debt Settlement Share.

The Company also announced a grant of an aggregate of 2,000,000 Options to purchase up to 2,000,000 common shares of the Company to a certain director and officer and consultant 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.

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:*

Melise Panetta Consulting, a company wholly owned and controlled by Ms. Panetta, an officer of the Company, indirectly acquired 134,753 Shares in settlement of \$26,950.61 in accounts payable to her, 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 disinterested members of the board of directors of the Company.

Waterfront Capital Partners Inc., a company wholly owned and controlled by Douglas Mason, a director of the Company, indirectly acquired 25,000 Shares in settlement of \$5,000 in accounts payable to him, for services rendered as a director of the Company. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. Mr. Mason's participation in the Debt Settlement was approved by disinterested members of the board of directors of the Company.

Howard Blank, a director of the Company, directly acquired 26,250 Shares in settlement of \$5,250 in accounts payable to him, for services rendered as a director of the Company. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. Mr. Blank's participation in the Debt Settlement was approved by disinterested members of the board of directors of the Company.

William MacDonald, a director of the Company, directly acquired 26,250 Shares in settlement of \$5,250 in accounts payable to him, for services rendered as a director of the Company. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. Mr. Macdonald's participation in the Debt Settlement was approved by disinterested members of the board of directors of the Company.

Marcello Leone, an officer and a director of the Company, directly acquired 825,759 Shares in settlement of \$165,151.91 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 639,611 Shares in settlement of \$127,922.24 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.

Martino Ciambrelli, a director of the Company, directly acquired 125,000 Shares in settlement of \$25,000 in accounts payable to him, for services rendered as a director of the Company. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. Mr. Ciambrelli's participation in the Debt Settlement was approved by disinterested members of 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 Ms. Panetta, Mr. Mason, Mr. Blank, Mr. MacDonald, Mr. Leone, Mr. Campbell and Mr. Ciambrelli:

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
Melise Panetta <i>Officer</i>	\$26,950.61	134,753 common shares	Undiluted: 147,825 ⁽¹⁾ Diluted: 897,825 ⁽²⁾	Undiluted: 0.06% ⁽³⁾ Diluted: 0.38% ⁽⁴⁾	Undiluted: 282,578 ⁽⁵⁾ Diluted: 1,032,578 ⁽⁶⁾	Undiluted: 0.12% ⁽⁷⁾ Diluted: 0.43% ⁽⁸⁾
Douglas Mason <i>Director</i>	\$5,000	25,000 common shares	Undiluted: 90,000 ⁽⁹⁾ Diluted: 890,000 ⁽¹⁰⁾	Undiluted: 0.03% ⁽³⁾ Diluted: 0.38% ⁽¹¹⁾	Undiluted: 115,000 ⁽¹²⁾ Diluted: 915,000 ⁽¹³⁾	Undiluted: 0.04% ⁽⁷⁾ Diluted: 0.38% ⁽¹⁴⁾
Howard Blank <i>Director</i>	\$5,250	26,250 common shares	Undiluted: 0 Diluted: 0	Undiluted: 0 Diluted: 0	Undiluted: 26,250 ⁽¹⁵⁾ Diluted: 26,250	Undiluted: 0.01% ⁽⁷⁾ Diluted: 0.01%
William Macdonald <i>Director</i>	\$5,250	26,250 common shares	Undiluted: 0 Diluted: 0	Undiluted: 0 Diluted: 0	Undiluted: 26,250 ⁽¹⁶⁾ Diluted: 26,250	Undiluted: 0.01% ⁽⁷⁾ Diluted: 0.01% ⁽⁷⁾
Marcello Leone <i>Officer and Director</i>	\$165,151.91	825,759 common shares	Undiluted: 1,559,646 ⁽¹⁷⁾ Diluted: 1,559,646	Undiluted: 0.66% ⁽³⁾ Diluted: 0.66%	Undiluted: 2,385,405 Diluted: 2,385,405	Undiluted: 0.99% ⁽⁷⁾ Diluted: 0.99%
John Campbell <i>Officer and Director</i>	\$127,922.24	639,611 common shares	Undiluted: 2,397,196 ⁽¹⁸⁾ Diluted: 3,172,196 ⁽¹⁹⁾	Undiluted: 1.02% ⁽³⁾ Diluted: 1.34% ⁽²⁰⁾	Undiluted: 3,036,807 ⁽²¹⁾ Diluted: 5,311,801 ⁽²²⁾	Undiluted: 1.25% ⁽⁷⁾ Diluted: 2.17% ⁽²³⁾
Martino Ciambrelli <i>Director</i>	\$25,000	125,000 common shares	Undiluted: 495,000 ⁽²⁴⁾ Diluted: 720,000 ⁽²⁵⁾	Undiluted: 0.21% ⁽³⁾ Diluted: 0.31% ⁽²⁶⁾	Undiluted: 620,000 ⁽²⁷⁾ Diluted: 845,000 ⁽²⁸⁾	Undiluted: 0.26% ⁽⁷⁾ Diluted: 0.35% ⁽²⁹⁾

(1) Comprised of: (a) 103,378 Shares held directly, and (b) 44,447 Shares held indirectly in the name of Melise Panetta Consulting, a company wholly owned and controlled by Ms. Panetta.

(2) Comprised of: (a) 103,378 Shares held directly, (b) 44,447 Shares held indirectly in the name of Melise Panetta Consulting, a company wholly owned and controlled by Ms. Panetta, (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 until November 20, 2022, and (d) 150,000 Options held by Ms. Panetta, each of which is exercisable into one Share, exercisable at a price of \$0.45 per Share until September 15, 2022.

(3) Based on 235,146,033 Shares outstanding prior to the completion of the Debt Settlement on February 23, 2022.

(4) Based on 235,896,033 Shares comprised of: (a) 235,146,033 Shares outstanding prior to the completion of the Debt Settlement and (b) 750,000 Options, each of which is exercisable into one Share.

- (5) Comprised of: (a) 238,131 Shares held directly, and (b) 44,447 Shares held indirectly in the name of Melise Panetta Consulting, a company wholly owned and controlled by Ms. Panetta.
- (6) Comprised of: (a) 238,131 Shares held directly, (b) 44,447 Shares held indirectly in the name of Melise Panetta Consulting, a company wholly owned and controlled by Ms. Panetta, and (d) 750,000 Options, each of which is exercisable into one Share.
- (7) Based on 241,985,159 Shares outstanding after the completion of the Debt Settlement on February 23, 2022.
- (8) Based on 242,735,159 Shares comprised of: (a) 241,985,159 Shares outstanding after the completion of the Debt Settlement and (b) 750,000 Options, each of which is exercisable into one Share.
- (9) Comprised of: (a) 20,000 Shares held directly, and (b) 70,000 Shares held indirectly in the name of Waterfront Capital Partners Inc., a company wholly owned and controlled by Mr. Mason.
- (10) Comprised of: (a) 20,000 Shares held directly, (b) 70,000 Shares held indirectly in the name of Waterfront Capital Partners Inc., a company wholly owned and controlled by Mr. Mason, (c) 200,000 Options held by Waterfront Capital Partners Inc., each of which is exercisable into one Share, exercisable at a price of \$0.40 per Share until November 20, 2022, (d) 100,000 Options held by Waterfront Capital Partners Inc., each of which is exercisable into one Share, exercisable at a price of \$0.30 per Share until July 20, 2022, and (e) 500,000 Options held by Douglas Mason, each of which is exercisable into one Share, exercisable at a price of \$0.45 per Share until September 15, 2022.
- (11) Based on 235,946,033 Shares comprised of: (a) 235,146,033 Shares outstanding prior to the completion of the Debt Settlement, (b) 300,000 Options held by Waterfront Capital Partners Inc., each of which is exercisable into one Share, and (c) 500,000 Options held by Mr. Mason, each of which is exercisable into one Share.
- (12) Comprised of: (a) 20,000 Shares held directly, and (b) 95,000 Shares held indirectly in the name of Waterfront Capital Partners Inc., a company wholly owned and controlled by Mr. Mason.
- (13) Comprised of: (a) 20,000 Shares held directly, (b) 95,000 Shares held indirectly in the name of Waterfront Capital Partners Inc., a company wholly owned and controlled by Mr. Mason, (c) 300,000 Options held by Waterfront Capital Partners Inc., each of which is exercisable into one Share, and (d) 500,000 Options held by Mr. Mason, each of which is exercisable into one Share.
- (14) Based on 242,785,159 Shares comprised of: (a) 241,985,159 Shares outstanding after the completion of the Debt Settlement, (b) 300,000 Options held by Waterfront Capital Partners Inc., each of which is exercisable into one Share, and (c) 500,000 Options held by Mr. Mason, each of which is exercisable into one Share.
- (15) Shares held directly.
- (16) Shares held directly.
- (17) Shares held directly.
- (18) Comprised of: (a) 1,007,696 Shares held directly, and (b) 1,389,500 Shares held jointly by Campbell and Shen-Wen Lin.
- (19) Comprised of: (a) 1,007,696 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, (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, (d) 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 (e) 500,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.45 per Share until September 15, 2022.
- (20) Based on 235,921,033 Shares comprised of: (a) 235,146,033 Shares outstanding prior to the completion of the Debt Settlement and (b) 775,000 Options, each of which is exercisable into one Share.
- (21) Comprised of: (a) 1,647,307 Shares held directly, and (b) 1,389,500 Shares held jointly by Campbell and Shen-Wen Lin.
- (22) Comprised of: (a) 1,647,307 Shares held directly, (b) 1,389,500 Shares held jointly by Campbell and Shen-Wen Lin, (c) 775,000 Options, each of which is exercisable into one Share, and (d) 1,500,000 Options held by Mr. Campbell, each of which is exercisable into one Share, exercisable at a price of \$0.20 per Share until June 23, 2023.
- (23) Based on 244,260,159 Shares comprised of: (a) 241,985,159 Shares outstanding after the completion of the Debt Settlement, and (b) 2,275,000 Options, each of which is exercisable into one Share.
- (24) Shares held directly.
- (25) Comprised of: (a) 495,000 Shares held directly, (b) 125,000 Options held by Mr. Ciambrelli, 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. Ciambrelli, each of which is exercisable into one Share, exercisable at a price of \$0.50 per Share until July 5, 2022.

- (26) Based on 235,371,033 Shares comprised of: (a) 235,146,033 Shares outstanding prior to the completion of the Debt Settlement, (b) 495,000 Shares held directly, and (c) 225,000 Options, each of which is exercisable into one Share.
- (27) Shares held directly.
- (28) Comprised of: (a) 620,000 Shares held directly, and (b) 225,000 Options, each of which is exercisable into one Share.
- (29) Based on 242,210,159 Shares comprised of: (a) 241,985,159 Shares outstanding after the completion of the Debt Settlement, and (b) 225,000 Options, each of which is exercisable into one Share.

(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. Mason, Mr. Blank, Mr. MacDonald, Mr. Leone, Mr. Campbell and Mr. Ciambrelli 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:

Melise Panetta Consulting, a company wholly owned and controlled by Ms. Panetta, an officer of the Company, indirectly acquired 134,753 Shares in settlement of \$26,950.61 in accounts payable to her, for services rendered as an officer of the Company.

Waterfront Capital Partners Inc., a company wholly owned and controlled by Douglas Mason, a director of the Company, indirectly acquired 25,000 Shares in settlement of \$5,000 in accounts payable to him, for services rendered as a director of the Company.

Howard Blank, a director of the Company, directly acquired 26,250 Shares in settlement of \$5,250 in accounts payable to him, for services rendered as a director of the Company.

William MacDonald, a director of the Company, directly acquired 26,250 Shares in settlement of \$5,250 in accounts payable to him, for services rendered as a director of the Company.

Marcello Leone, an officer and a director of the Company, directly acquired 825,759 Shares in settlement of \$165,151.91 in accounts payable to him, for services rendered as an officer of the Company.

John Campbell, an officer and a director of the Company, directly acquired 639,611 Shares in settlement of \$127,922.24 in accounts payable to him, for services rendered as an officer of the Company.

Martino Ciambrelli, a director of the Company, directly acquired 125,000 Shares in settlement of \$25,000 in accounts payable to him, for services rendered as a director of the Company.

- (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.

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

March 1, 2022.

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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