

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

April 1, 2024

Item 3 News Release

The news release dated April 1, 2024 was disseminated via Stockwatch and BayStreet.

Item 4 Summary of Material Change

The Company settled debt (the “**Debt Settlement**”) in the aggregate amount of \$1,930,742.55 owed by the Company to certain creditors of the Company in exchange for and aggregate of 1,755,209 common shares (each, a “**Share**”) at a deemed price of \$1.10 per Share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company completed the Debt Settlement in the aggregate amount of \$1,930,742.55 owed by the Company to certain creditors of the Company in exchange for an aggregate of 1,755,209 Shares at a deemed price of \$1.10 per Share.

All of the Shares issued pursuant to the Debt Settlement are subject to a statutory hold period of four months plus one day.

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:*

John Campbell, a director and officer of the Company, directly acquired 267,272 Shares in settlement of \$294,000 in accounts payable to him, for services rendered as a director and 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.

Howard Blank, a director of the Company, directly acquired 8,590 Shares in settlement of \$9,450 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.

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. Campbell and Mr. Blank, respectively.

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
John Campbell <i>Director and Officer</i>	\$294,000	267,272 common shares	Undiluted: 130,685 ⁽¹⁾ Diluted: 130,685	Undiluted: 4.25% ⁽²⁾ Diluted: 4.25%	Undiluted: 397,957 ⁽³⁾ Diluted: 397,957	Undiluted: 8.24% ⁽⁴⁾ Diluted: 8.24%
Howard Blank <i>Director</i>	\$9,450	8,590 common shares	Undiluted: 3,282 ⁽⁵⁾ Diluted: 3,282	Undiluted: 0.11% ⁽²⁾ Diluted: 0.11%	Undiluted: 11,872 ⁽⁵⁾ Diluted: 11,872	Undiluted: 0.25% ⁽⁴⁾ Diluted: 0.25%

(1) Comprised of: (i) 8,237 Shares held directly, and (ii) 122,448 Shares held jointly with Shen-Wen Lin.

(2) Based on 3,072,061 Shares outstanding prior to the completion of the Debt Settlement on April 1, 2024.

(3) Comprised of: (i) 275,509 Shares held directly, and (ii) 122,448 Shares held jointly with Shen-Wen Lin.

(4) Based on 4,827,270 Shares outstanding after the completion of the Debt Settlement on April 1, 2024.

(5) Shares held directly.

- (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 with Mr. Campbell and Mr. Blank abstaining on the resolution of the board of directors approving the Debt Settlement as it related to their respective interest. 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. Campbell pursuant to which Mr. Campbell subscribed for 267,272 Shares in settlement of \$294,000 in accounts payable by the Company.

The Company entered into a debt settlement and subscription agreement with Mr. Blank pursuant to which Mr. Blank subscribed for 8,590 Shares in settlement of \$9,450 in accounts payable by 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 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 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

April 2, 2024.