

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1            Name and Address of Company**

Xebra Brands Ltd.  
1055 West Georgia St., 1500 Royal Centre  
PO Box 11117  
Vancouver BC V6E 4N7  
Canada

**Item 2            Date of Material Change**

March 6, 2023

**Item 3            News Release**

The press release attached as Schedule A was released on March 6, 2023.

**Item 4            Summary of Material Change**

The material change is described in the press release attached as Schedule A.

**Item 5            Full Description of Material Change**

The material change is described in the press release attached as Schedule A.

**Item 6            Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7            Omitted Information**

Not applicable.

**Item 8            Executive Officer**

Jay Garnett, CEO and Director  
Xebra Brands Ltd.  
604.340.3050  
jay.garnett@xebrabrands.com

**Item 9            Date of Report**

March 6, 2023.

**SCHEDULE A**  
**XEBRA BRANDS CLOSES PRIVATE PLACEMENT**

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OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED  
STATES*

**Vancouver, BC, Canada, March 6, 2023, Xebra Brands Ltd. (“Xebra”) (XBRA: CSE) (XBRAF: OTCQB) (9YC: FSE)** a cannabis company, is pleased to announce that it has closed its previously announced non-brokered private placement of 15,086,731 units of the Company (the “Units”) at a price of \$0.06 per Unit for aggregate gross proceeds of C\$905,203.81 (the “Offering”)

Each Unit was issued at a price of \$0.06 per Unit and is comprised of one common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to acquire one Common Share (a “Warrant Share”) at an exercise price of C\$0.10 per Warrant Share at any time for a period of eighteen (18) months following the closing of the Offering.

The net proceeds of the Offering are expected to be used for working capital and general corporate purposes. All securities issued in connection with the Offering will be subject to a hold period of four months and one day from the Closing Date. In connection with the Offering, the Company issued certain eligible finders (the “Finders”) an aggregate of 100,000 Common Shares (the “Finder’s Shares”), representing 5% of the number of Units placed by the Finders. The Offering is subject to the final acceptance of the Canadian Securities Exchange.

Certain directors, officers and insiders of Xebra (the “Insiders”) subscribed to the Offering for an aggregate of 5,795,133 Units. This issuance of Units to the Insiders constitutes a “related party transaction” as such term is defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Xebra is relying on an exemption from the formal valuation and minority shareholder approval requirements provided under MI 61-101 pursuant to section 5.5(a) and section 5.7(1)(a) of MI 61-101, on the basis that the participation in the Offering by the Insiders does not exceed 25% of the fair market value of Xebra.

The securities issued under the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and were not to be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

**Jay Garnett**

**CEO**

*Certain information contained in this press release constitutes forward-looking information or forward-looking statements under applicable securities laws. Any statements that are not statements of historical fact may be deemed to be forward-looking statements, these include, without limitation, statements regarding Xebra Brands Ltd.'s expectations in respect of its ability to successfully execute its business plan or business model; its use of proceeds from Offering, Xebra's ability to provide economic, environmental, social, or any benefits of any type, in the communities it operates in or may operate it in the future; its ability to be a first mover in a country, or to obtain or retain government licenses, permits or authorizations in general, or specifically in Mexico, Canada, or elsewhere, including cannabis authorizations from the Mexican Health Regulatory Agency (COFEPRIS) and the timing of such permits or authorizations; its ability to successfully apply for and obtain trademarks and other intellectual property in any jurisdiction; its ability to be cost competitive; its ability to commercialize, cultivate, grow, or process hemp or cannabis in Mexico, Canada, or elsewhere and related plans and timing; its ability to manufacture, commercialize or sell cannabis-infused beverages, wellness products, or other products in Mexico, Canada, or elsewhere, and its related plans and claims, including market interest and availability; its ability to create wellness products that have a therapeutic effect or benefit; plans*

*for future growth and the direction of the business; financial projections including expected revenues, gross profits, and EBITDA (which is a non-GAAP financial measure); plans to increase product volumes, the capacity of existing facilities, supplies from third party growers and contractors; expected growth of the cannabis industry generally; management's expectations, beliefs and assumptions in general, including manufacturing costs, production activity and market potential in Mexico or any jurisdiction; events or developments that XEBRA expects to take place in the future; general economic conditions; and other risk factors described in the prospectus of Xebra dated September 30, 2021. All statements, other than statements of historical facts, are forward-looking information and statements. The words "aim", "believe", "expect", "anticipate", "contemplate", "target", "intends", "continue", "plans", "budget", "estimate", "may", "will", and similar expressions identify forward-looking information and statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by XEBRA as of the dates of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, the inability of XEBRA to generate sufficient revenues or to raise sufficient funds to carry out its business plan; changes in government legislation, taxation, controls, regulations and political or economic developments in various countries; risks associated with agriculture and cultivation activities generally, including inclement weather, access to supply of seeds, poor crop yields, and spoilage; compliance with import and export laws of various countries; significant fluctuations in cannabis prices and transportation costs; the risk of obtaining necessary licenses and permits; inability to identify, negotiate and complete a potential acquisition for any reason; the ability to retain key employees; dependence on third parties for services and supplies; non-performance by contractual counter-parties; general economic conditions; and the continued growth in global demand for cannabis products and the continued increase in jurisdictions legalizing cannabis; and the timely receipt of regulatory approval for license applications. In addition, there is no assurance Xebra will: be a low-cost producer or exporter; obtain a dominant market position in any jurisdiction; have products that will be unique. The foregoing list is not exhaustive and XEBRA undertakes no obligation to update or revise any of the foregoing except as required by law. Many of these uncertainties and contingencies could affect XEBRA's actual performance and cause its actual performance to differ materially from what has been expressed or implied in any forward-looking statements made by, or on behalf of, XEBRA. Readers are cautioned that forwardlooking statements are not guarantees of future performance and readers should not place undue reliance on such forward-looking statements. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those set out in such statements.*

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