

Form 51-102F3

**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Xebra Brands Ltd.  
410-1111 Melville Street  
Vancouver, BC V6E 3V6

**Item 2 Date of Material Change**

March 15, 2024.

**Item 3 News Release**

The press release was disseminated on March 21, 2024 through Accesswire.

**Item 4 Summary of Material Change**

**Xebra Brands Ltd. ("Xebra" or the "Company")**, a cannabis company, closed the shares for debt transaction (the "**Debt Settlement**") as previously announced on March 7, 2024 (the "**Announcement Press Release**"). The Company settled aggregate debt of \$266,690 (the "**Debt**") of accrued liabilities for fees and expenses owed to certain officers, directors and consultants of the Company, through the issuance of 4,848,909 common shares of the Company (the "**Settlement Shares**") at a deemed price of \$0.055 per Settlement Share (the "**Debt Settlement**").

Certain directors and officers of the Company (the "**Insiders**") were issued 4,487,273 Settlement Shares pursuant to the Debt Settlement.

The Company also granted a total of 3,200,000 stock options (the "**Options**") to purchase common shares of the Company (the "**Common Shares**") to certain directors, officers and consultants of the Company pursuant to the Company's Stock Option Plan. Such Options are exercisable into Common Shares at an exercise price of \$0.10 per Common Share for a period of three years from the date of grant. The Options vested on issuance.

**Item 5 Full Description of Material Change**

See attached press release for details.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8      Executive Officer**

Rodrigo Gallardo, Interim CEO and President  
Phone: 1(833) XEBRA 88

**Item 9      Date of Report**

March 26, 2024



## **NEWS RELEASE**

# **Xebra Brands Announces Closing of Shares for Debt Transaction and Grants Options**

*NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES*

**Vancouver, BC, Canada, March 21, 2024, Xebra Brands Ltd. ("Xebra" or the "Company") (XBRA: CSE) (XBRAD: OTCQB) (9YC0: FSE)**, a cannabis company, is pleased to announce that it has closed the shares for debt transaction (the "**Debt Settlement**") as previously announced on March 7, 2024 (the "**Announcement Press Release**"). The Company settled aggregate debt of \$266,690 (the "**Debt**") of accrued liabilities for fees and expenses owed to certain officers, directors and consultants of the Company, through the issuance of 4,848,909 common shares of the Company (the "**Settlement Shares**") at a deemed price of \$0.055 per Settlement Share (the "**Debt Settlement**").

The Company issued the Settlement Shares to settle the Debt in order to preserve its funds for operations and continued growth opportunities. The Settlement Shares issuable under the Debt Settlement are subject to a hold period of four months and one day from the date of issuance. The Debt Settlement is subject to the final acceptance of the Canadian Securities Exchange.

Certain directors and officers of the Company (the "**Insiders**") were issued 4,487,273 Settlement Shares pursuant to the Debt Settlement. Accordingly, the issuance of such Settlement Shares to the Insiders pursuant to the Debt Settlement 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 exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 pursuant to section 5.5(b) and section 5.7(1)(b) of MI 61-101.

The Announcement Press Release disclosed that the Company would be settling \$262,712 of debt for 4,776,582 common shares of the Company at a price of \$0.055 per common share. However, as a result of an adjustment, the Company settled an aggregate of \$266,690 of debt at a price of \$0.055 per common share for a total of 4,848,909 common shares of the Company.

The Company also announces that it has granted a total of 3,200,000 stock options (the "**Options**") to purchase common shares of the Company (the "**Common Shares**") to certain directors, officers and consultants of the Company pursuant to the Company's Stock Option Plan. Such Options are exercisable into Common Shares at an exercise price of \$0.10 per Common Share for a period of three years from the date of grant. The Options vested on issuance.

The securities issued under the Debt Settlement 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.

## **ABOUT XEBRA**

Xebra Brands Ltd. is an international leading cannabis company dedicated to providing high-quality Cannabis and CBD products to consumers in Mexico. We aim to deliver the highest quality, cannabinoid-infused products that promote health and wellness while focusing on consumer needs and demands.

*Rodrigo Gallardo*  
Interim CEO

For more information contact:

+1 (833) XEBRA 88  
ir@xebrabrands.com

### *Cautionary Note Regarding Forward-Looking Information*

*Certain information contained in this press release constitutes 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, the ability to obtain necessary approvals in connection with the Debt Settlement; its ability to enter into and execute partnerships or joint venture opportunities on acceptable terms; its ability to provide economic, environmental, social, or any benefits of any type in the communities it operates in or may operate 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); its ability to satisfy the conditions of authorizations granted by COFEPRIS; its ability to successfully apply for, obtain and retain 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 its CBD products, 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; 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 MD&A of the Company for the period ended November 30, 2023. 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 retain the authorizations granted by COFEPRIS, failure to receive required regulatory approvals for securities offerings, the inability 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 potential acquisitions, dispositions or joint ventures 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; the continued growth in global demand for cannabis products and the continued increase in jurisdictions legalizing cannabis; and the timely receipt of regulatory approvals for license applications on terms satisfactory to Xebra. 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 forward-looking 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.*