

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **BevCanna Enterprises Inc.** (the “Issuer”).

Trading Symbol: **BEV**

Number of Outstanding Listed Securities: **110,467,628**

Date: **January 6, 2021**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.
 - During December 2020, the Issuer continued developing cannabinoid-infused beverages and consumer products for in-house brands and white label clients.
 - On December 10, 2020, the Issuer announced that shareholders overwhelmingly approved all matters considered at the Issuer’s Annual General and Special Meeting of Shareholders (“AGM”) held December 9, 2020. Full details of the matters that were voted on at the AGM of Issuer shareholders, held on December 9, 2020, are set out in the Issuer’s Management Information Circular, dated November 9, 2020, which is available on SEDAR.
 - On December 16, 2020, the Issuer announced its intention to further expand into the U.S. market, and is evaluating a list of potential strategic partnership and acquisition targets.
 - On December 17, 2020, the Issuer announced that its acquisition of Naturo Group Inc. will close on or before January 20, 2021. The coming together of these two industry leaders will create a comprehensive health and wellness beverage and natural products company, one that generates significant value for both organizations and brings together two exceptionally experienced and innovative leadership teams.
 - On December 22, 2020, the Issuer announced that its application for a Standard Processing Licence has advanced to the final stages of the in depth review with Health Canada.
 - On December 29, 2020, the Issuer announced that Keef Brands, the highest grossing cannabis beverage company in the U.S., has taken an equity position in the Issuer.

2. Provide a general overview and discussion of the activities of management.
- **Developing new infused cannabis beverage brands.**
 - **Forming R&D relationships with multiple Canadian Licensed Producers and established US entities looking to enter the Canadian market with their infused product portfolio.**
 - **Continuing ongoing discussions with multiple Canadian Licensed Producers for white-label manufacturing of cannabis infused beverages for the Canadian market.**
 - **Shareholders overwhelmingly approved all matters considered at the Issuer's Annual General and Special Meeting of Shareholders ("AGM") held December 9, 2020.**
 - **Further expand into the U.S. market, and is evaluating a list of potential strategic partnership and acquisition targets.**
 - **The acquisition of Naturo Group Inc. will close on or before January 20, 2021.**
 - **The application for a Standard Processing Licence has advanced to the final stages of the in depth review with Health Canada.**
 - **Keef Brands, the highest grossing cannabis beverage company in the U.S., has taken an equity position in the Issuer.**
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.
- None.**
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.
- None.**
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

On December 12, 2020, the Issuer announced that it has executed a Definitive Agreement (the “Agreement”) dated December 11, 2020 with privately held company Naturo Group Investments Inc. (“Naturo”) in which the Issuer intends to purchase all of the issued and outstanding securities of Naturo (the “Naturo Securities”) from the owners of Naturo (the “Transaction”). Upon completion of the Transaction, Naturo will become a wholly-owned subsidiary of the Issuer and the Issuer will carry on the combined business of Issuer and Naturo.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

On December 4, 2020, the Issuer announced that announced that it has settled debt (the “First Debt Settlement”) in the amount of \$311,975 owed by the Issuer to certain creditors of the Issuer in exchange for 575,000 common shares (each, a “First Debt Settlement Share”) at a deemed price of \$0.40 per First Debt Settlement Share and 182,167 First Debt Settlement Shares at a deemed price of \$0.45 per First Debt Settlement Share.

On December 21, 2020, the Issuer announced it has settled debt (the “Second Debt Settlement”) in the amount of \$552,925.75 owed by the Issuer to certain creditors of the Issuer in exchange for 268,464 common shares (each, a “Second Debt Settlement Share”) at a deemed price of \$0.70 per Second Debt Settlement Share and 1,000,000 Second Debt Settlement Shares at a deemed price of \$0.365 per Second Debt Settlement Share, which had been agreed upon with an arm’s length vendor in the context of the market at the time. 182,500 of the Second Debt Settlement Shares issued at a deemed price of \$0.70 per Second Debt Settlement Share and all of the Second Debt Settlement Shares issued at a deemed price of \$0.365 per Second Debt Settlement Share are subject to a hold period of four months and one day from the date of issuance.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Options	700,000	Consultants	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The COVID-19 pandemic has resulted in the extended shutdown of certain businesses in various parts of the world, which may in turn result in disruptions or delays to our supply chain. These may include disruptions from the temporary closure of third-party supplier and manufacturer facilities, interruptions in product supply or restrictions on the export or shipment of our products. Any disruption of our suppliers and their contract manufacturers may impact our sales and operating results. The outbreak of COVID-19 may also impact customer demand, the availability of key components that are sourced from other jurisdictions, logistics flows and the availability of other resources to support our operations.

This may affect the Issuer's Canadian standard processing licensing and US commercialization of cannabis and/or hemp infused product timelines.

To date the outbreak has not had a material adverse impact on our operations. However, the future impact of the outbreak is highly uncertain and cannot be predicted, and there is no assurance that the outbreak will not have a material adverse impact on the future results of the Issuer. The extent of the impact, if any, will depend on future developments, including actions taken to contain COVID-19.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **January 6, 2021**

Marcello Leone

Name of Director or Senior
Officer

"Marcello Leone"

Signature

CEO and Director

Official Capacity

<i>Issuer Details</i>	For Month End	Date of Report
Name of Issuer BevCanna Enterprises Inc.	December 2020	YY/MM/DD 21/01/06
Issuer Address 200 – 1672 West 2nd Avenue		
City/Province/Postal Code Vancouver, BC, V6J 1H4	Issuer Fax No. N/A	Issuer Telephone No. 604-569-1414
Contact Name Marcello Leone	Contact Position CEO and Director	Contact Telephone No. 604-569-1414
Contact Email Address info@bevcanna.com	Web Site Address www.bevcanna.com	