

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

**Item 1 Name and Address of Company**

BevCanna Enterprises Inc. (the “Company” or “BevCanna”)  
200 – 1672 West 2nd Avenue  
Vancouver, BC, V6J 1H

**Item 2 Date of Material Change**

February 25, 2020

**Item 3 News Release**

The news release dated February 25, 2020 was disseminated via Cision.

**Item 4 Summary of Material Change**

The Company announced that it has launched a set of strategic objectives that will guide the Company through 2020 and beyond.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

The Company announced that it has launched a set of strategic objectives that will guide the Company through 2020 and beyond.

Mr. Campbell tabled the following strategic objectives for BevCanna for the balance of 2020:

- BevCanna will become Canada’s largest organic outdoor cannabis cultivator. Our 292-acre farm is located in the Southern Okanagan region of British Columbia, an area with similar climatic attributes to Humboldt County, CA - California’s prime outdoor cannabis growing region. Production costs are also roughly one-seventh the cost of indoor/greenhouse cannabis cultivation, giving the company a sustainable competitive advantage. Production output is estimated at 400,000-500,000 lbs. of biomass annually. Outdoor cannabis production, in addition to being environmentally friendly and sustainable, offers a broader, more intense, and deeply penetrating spectrum of light, which improves flavor profiles. This allows outdoor-grown plants to more fully express their genetic potential.
- BevCanna will commence white-label beverage production in Canada by Q3-2020. The Company will manufacture beverages for other Canadian licensed producers who wish to leverage their brands’ equity to create infused beverages. The high regulatory barriers to entry for cannabis-infused beverages is proving challenging for many licensed producers that wish to expand their brands into this emerging category. Beverages are BevCanna’s core expertise and BevCanna’s world-class bottling facility has been designed with maximum flexibility, to cover a wide array of bottle sizes and form factors, allowing the company to fully service its white label client needs.
- BevCanna will commercialize its house brands, Anarchist Mountain and Gräv Beverages, selling these product lines in Canadian licensed retailers by Q4-2020. The initial launch will focus on the BC, ON, AB, and SK markets. Anarchist Mountain, a lightly sparkling botanical-flavored line of alkaline spring water beverages, will be available in varying amounts of THC (10mg, 7.5mg, 5mg), and Gräv, a line of iced tea flavours, will be available with a 1:1 cannabinoid ratio (5mg THC and 5mg CBD).

- BevCanna will finalize its previously announced joint venture with Bloom, and commercialize Bloom branded cannabis concentrates and extracts, selling these product lines in Canadian licensed retailers by Q4-2020. The Company has an LOI with an intent to enter into a definitive agreement with high-profile cannabis operator company, Capna Intellectual, Inc. to bring its leading multi-state cannabis vape brand, Bloom, to Canada. BevCanna will manufacture and sell Bloom branded products including cannabis concentrates and extracts, in Canada. BevCanna will also acquire exclusive licensing and manufacturing rights to select product formats, technology and branding assets of Bloom.
- BevCanna will commercialize our proprietary THC water-soluble powder technology in California. This will be launched under a house brand name, to be announced in March 2020, through a pilot launch in select dispensaries in Sacramento, CA. Full commercial product launch across California is planned for Q2-2020.
- BevCanna will commercialize the Anarchist Mountain and Gräv Beverages brands' ready-to-drink formats in California licensed retailers by Q3-2020. Through co-packing and distribution arrangements currently in progress, BevCanna plans to launch a full-form factor product line up in the state of California by the third quarter, ranging from water-soluble powders to ready-to-drink beverages.
- BevCanna will introduce our Hemp-Derived CBD powder and ready-to-drink beverage lines into Europe, through local co-packing and distribution arrangements with Mota Ventures and their subsidiary Sativida, the Company's exclusive European joint venture partners. According to Grand View Research, the global CBD market is expected to reach \$23.6B over the next five years. Brightfield Group projects the European CBD market to grow by 400% over the next four years.

BevCanna also announced today that it has entered into a marketing and investor relations agreement (the "Agreement") dated February 17th, 2020 with Aktiencheck.de AG (the "Consultant") pursuant to which the Consultant has agreed to provide certain corporate branding, marketing, online corporate communications and investor relations services to the Company for a term of one month, for total cash consideration of €50,000, which was paid upon entry into the Agreement.

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**

February 26, 2020



Press Release

## BevCanna Enterprises Announces Its Strategic Objectives for 2020

*Infused beverage expert poised to begin commercializing operations and generating substantial revenue*

VANCOUVER, BC, February 25, 2020. Emerging leader in infused cannabis beverages, BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) ("BevCanna" or the "Company"), announced today that it has launched a set of strategic objectives that will guide the Company through 2020 and beyond.

Headquartered in Vancouver, Canada, with operations near Osoyoos, in the Southern Okanagan region of British Columbia, and in Sacramento California, BevCanna is a branded and white-label manufacturer of cannabis infused beverages; vertically integrated from outdoor cultivation to finished cannabis products.

"2020 is the year of execution for BevCanna and our strategic partners," said John Campbell, Chief Strategy Officer at BevCanna. "We've built a solid foundation across businesses and we are now ready to turn the corner to begin commercializing our operations and generating substantial revenue."

Mr. Campbell tabled the following strategic objectives for BevCanna for the balance of 2020:

- **BevCanna will become Canada's largest organic outdoor cannabis cultivator.** Our 292-acre farm is located in the Southern Okanagan region of British Columbia, an area with similar climatic attributes to Humboldt County, CA - California's prime outdoor cannabis growing region. Production costs are also roughly one-seventh the cost of indoor/greenhouse cannabis cultivation, giving the company a sustainable competitive advantage. Production output is estimated at 400,000-500,000 lbs. of biomass annually. Outdoor cannabis production, in addition to being environmentally friendly and sustainable, offers a broader, more intense, and deeply penetrating spectrum of light, which improves flavor profiles. This allows outdoor-grown plants to more fully express their genetic potential.
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**BEVCANNA** 

BEVCANNA ENTERPRISES INC.  
E/ INFO@BEVCANNA.COM  
M/ 1.604.449.1818

1672 W 2ND AVE, VANCOUVER  
BRITISH COLUMBIA, V6J 1H4  
BEVCANNA.COM



- **BevCanna will commercialize its house brands, Anarchist Mountain and Gräv Beverages, selling these product lines in Canadian licensed retailers by Q4-2020.** The initial launch will focus on the BC, ON, AB, and SK markets. Anarchist Mountain, a lightly sparkling botanical-flavored line of alkaline spring water beverages, will be available in varying amounts of THC (10mg, 7.5mg, 5mg), and Gräv, a line of iced tea flavours, will be available with a 1:1 cannabinoid ratio (5mg THC and 5mg CBD).
- **BevCanna will finalize its previously announced joint venture with Bloom, and commercialize Bloom branded cannabis concentrates and extracts, selling these product lines in Canadian licensed retailers by Q4-2020.** The Company has an LOI with an intent to enter into a definitive agreement with high-profile cannabis operator company, Capna Intellectual, Inc. to bring its leading multi-state cannabis vape brand, [Bloom](#), to Canada. BevCanna will manufacture and sell Bloom branded products including cannabis concentrates and extracts, in Canada. BevCanna will also acquire exclusive licensing and manufacturing rights to select product formats, technology and branding assets of Bloom.
- **BevCanna will commercialize our proprietary THC water-soluble powder technology in California.** This will be launched under a house brand name, to be announced in March 2020, through a pilot launch in select dispensaries in Sacramento, CA. Full commercial product launch across California is planned for Q2-2020.
- **BevCanna will commercialize the Anarchist Mountain and Gräv Beverages brands' ready-to-drink formats in California licensed retailers by Q3-2020.** Through co-packing and distribution arrangements currently in progress, BevCanna plans to launch a full-form factor product line up in the state of California by the third quarter, ranging from water-soluble powders to ready-to-drink beverages.
- **BevCanna will introduce our Hemp-Derived CBD powder and ready-to-drink beverage lines into Europe,** through local co-packing and distribution arrangements with Mota Ventures and their subsidiary Sativida, the Company's exclusive European joint venture partners. According to Grand View Research, the global CBD market is expected to reach \$23.6B over the next five years. Brightfield Group projects the European CBD market to grow by 400% over the next four years.

BevCanna also announced today that it has entered into a marketing and investor relations agreement (the "Agreement") dated February 17th, 2020 with Aktiencheck.de AG (the "Consultant") pursuant to which the Consultant has agreed to provide certain corporate branding, marketing, online corporate communications and investor relations services to the Company for a term of one month, for total cash consideration of €50,000, which was paid upon entry into the Agreement.

#### **About BevCanna Enterprises Inc.**

[BevCanna Enterprises Inc.](#) (CSE: BEV, O:BVNNF, FSE:7BC) BevCanna Enterprises Inc. develops and manufactures cannabinoid-infused beverages and consumer products for in-house brands and white label clients. With decades of experience creating, branding and distributing iconic brands that have





resonated with consumers on a global scale, the team demonstrates an expertise unmatched in the emerging cannabis beverage category. Based in British Columbia, Canada, BevCanna has a 292-acre outdoor cultivation site in the Okanagan Valley and the exclusive rights to a pristine spring water aquifer, access to a world-class 40,000-square-foot, HACCP certified manufacturing facility, with a current bottling capacity of up to 210M bottles per annum. BevCanna's vision is to be a global leader in infused innovations.

**On behalf of the Board of Directors:**

John Campbell, Chief Financial Officer and Chief Strategy Officer  
Director, BevCanna Enterprises Inc.

**For media enquiries or interviews, please contact:**

Wynn Theriault, Thirty Dash Communications  
416-710-3370  
[wynn@thirtydash.ca](mailto:wynn@thirtydash.ca)

**For investor inquiries, please contact:**

Luca Leone, BevCanna Enterprises Inc.  
604-880-6618  
[luca@bevcanna.com](mailto:luca@bevcanna.com)

**Disclaimer for Forward-Looking Information**

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact are forward-looking statements. Forward looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend”, “estimate” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: the strategic objectives for BevCanna for the balance of 2020; becoming Canada’s largest organic outdoor cannabis cultivator, production output at the company’s farm is estimated at 400,000-500,000 lbs. of biomass; commencing white-label beverage production in Canada by Q3 2020; BevCanna will manufacture for other Canadian licensed producers who wish to leverage their brands’ equity to infused beverages; BevCanna’s world-class bottling facility will allow the company to fully serve its white label client needs; commercializing BevCanna house brands, Anarchist Mountain and Gräv beverages product lines in Canadian licensed retailers by Q4 2020; that the initial launch focus will be on BC, ON, AB, and SK markets; that Anarchist Mountain, a lightly sparkling botanical flavored line of alkaline spring water beverages, will be available in varying amounts of THC (10mg, 7.5mg, 5mg), and Gräv, a line of various iced tea flavors, will be available with a 1:1 cannabinoid ratio (5mg THC and 5mg CBD); statements with respect to the proposed joint venture with Bloom and related definitive agreement; commercializing our proprietary THC water-soluble powder technology in California, under a house brand name to be announced imminently, come March 2020, through a pilot launch in select dispensaries in Sacramento; that full commercial





product launch across California is planned for Q2 2020; commercialize BevCanna house brands, Anarchist Mountain and Gräv beverages ready to drink formats in California licensed retailers by Q3 2020; through co-packing and distribution arrangements currently in progress, BevCanna intends have a full form factor product line up in the state of California by Q3, ranging from previously mentioned water-soluble powder, to ready to drinks; introducing our Hemp-Derived CBD powder and ready to drink beverage lines into Europe, through local co-packing and distribution arrangements with Mota Ventures, and their subsidiary Sativida, our exclusive European Joint Venture partners; over the next 5 years, the Global CBD market is expected to reach \$ 23.6B, according to Grand View Research and in Europe alone, the CBD market is forecasted to grow 400% over the 4 years, as anticipated by Brightfield Group; that 2020 will be the year of execution for BevCanna and our strategic partners and that the company is now ready to turn the corner to become a significant revenue and cash-flow generator; and the business plans of the Company.

Forward-looking statements are based on certain assumptions regarding the issuances of licences by Health Canada to the Company under the Cannabis Act; a continued high regulatory barrier entry for cannabis-infused beverages; successful and timely commercialization of the company's products; successful and timely negotiation of various joint venture agreements; climate conditions; agricultural conditions; and expectations with respect to the future growth of recreational cannabis products. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements. The assumptions of the Company, although considered reasonable by it at the time of preparation, may prove to be incorrect. In addition, forward-looking statements necessarily involve known and unknown risks, including, without limitation, the Company not being issued licenses by Health Canada; risks associated with general economic conditions; risks associated with climate and agriculture; changes in consumer preferences; adverse industry events; future legislative, tax and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the inability to implement business strategies; competition; currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. For more information on the risk, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the public filings of the Company which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and thus are subject to change thereafter. 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.

