

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

October 7, 2021.

Item 3 News Release

The news release dated October 7, 2021 was disseminated via Cision.

Item 4 Summary of Material Change

The Company announced that it has entered into a white-label agreement with Xebra Brands Ltd., a rising player in the global cannabis beverage sector.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has entered into a white-label agreement with Xebra Brands Ltd., a rising player in the global cannabis beverage sector.

The Company will leverage its extensive experience in production and manufacturing at scale to distribute Xebra Brands’ Vicious Citrus™ THC Lemonade into the Canadian market.

The agreement will leverage the Company’s unique white-label partnership model that allows both cannabis-license holders and non-licensed CPG groups to enter and launch their brands into the Canadian market. The white-label agreement will be subject to MOQs (minimum order quantities).

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

October 7, 2021.

BevCanna Signs White-Label Agreement to Produce Cannabis-Infused Beverages for Xebra Brands

Agreement represents BevCanna's fifth cannabis white-label client; Company continues to ramp up Canadian cannabis revenue stream

VANCOUVER, BC, October 7, 2021. Emerging leader in innovative health and wellness beverages and products, [BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNE, FSE:ZBC) ("BevCanna" or the "Company") announces today that it has entered into a white-label agreement with Xebra Brands Ltd., a rising player in the global cannabis beverage sector.

BevCanna will leverage its extensive experience in production and manufacturing at scale to distribute Xebra Brands' *Vicious Citrus*[™] THC Lemonade into the Canadian market. *Vicious Citrus* was selected as Xebra's premier beverage to launch in Canada through consultation with provincial sales representatives and was noted as unique among cannabis beverages offered in Canada. Initially set to premiere in Ontario, BC and Alberta in Spring 2022, the anticipated line will subsequently expand to other provinces.



Vicious Citrus[™] -- Lemonade for Renegades[™] -- "True rebels are direct, honest, and stand up for what they believe in... just like Vicious Citrus. Vicious Citrus cannabis-infused lemonades don't compromise on great taste and blaze a refreshingly original path."

www.viciouscitrus.com

"We're thrilled to partner with BevCanna. Our extensive evaluation of potential co-packing partners in the Canadian space made it very evident that BevCanna is the best positioned and most qualified to consistently execute on Xebra's beverage strategy," stated Rodrigo Gallardo, President of Xebra Brands. "BevCanna also has the ability to scale with us as we introduce more of our innovative brands to Canadian consumers."

The agreement will leverage BevCanna's unique white-label partnership model that allows both cannabis-license holders and non-licensed CPG groups to enter and launch their brands into the Canadian market. The white-label agreement will be subject to MOQs (minimum order quantities).

"We continue to expand our roster of new white-label customers and innovative CPG brands," said Melise Panetta, President of BevCanna. "As we continue to ramp up revenue in this division, it's companies like Xebra Brands, with innovative products and a vision of building long-term value, that are proving an excellent fit for our services."

About BevCanna Enterprises Inc.

[BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNE, FSE:7BC) is a diversified health & wellness beverage and natural products company. BevCanna develops and manufactures a range of alkaline, plant-based, and cannabinoid beverages and supplements for both in-house brands and white-label clients.

With decades of experience creating, manufacturing, and distributing iconic brands that resonate with consumers on a global scale, the team demonstrates an expertise unmatched in the nutraceutical and cannabis-infused beverage categories. Based in British Columbia, Canada, BevCanna owns a pristine alkaline spring water aquifer and a world-class 40,000-square-foot, HACCP certified manufacturing facility, with a bottling capacity of up to 210M bottles annually. BevCanna's extensive distribution network includes more than 3,000 points of retail distribution through its market-leading TRACE brand, its Pure Therapy natural health and wellness e-commerce platform, its fully licensed Canadian cannabis manufacturing and distribution network, and a partnership with #1 U.S. cannabis beverage company Keef Brands.

About Xebra Brands Ltd.

Xebra is a privately held cannabis company pending a public listing, with global brands and intellectual property, and first mover status in Holland and possibly Mexico. Xebra's portfolio of innovative cannabis beverages, includes Madcap seltzers & soft drinks, HighJack energy drinks, HolaHi iced teas, Vicious Citrus lemonades, HighCastle waters, and Conquer a CBD sports beverage. For more info on Xebra visit www.xebrabrands.com.

On behalf of the Board of Directors:

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

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Disclaimer for Forward-Looking Information

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements in this news release include statements regarding: the agreement with Xebra, its terms and the parties' commitments under the agreement, anticipated benefits and commercial developments; that the Company continues to ramp up its Canadian cannabis revenue stream; that the Company continues to expand its roster of new white-label customers and innovative CPG brands; that the Company continues to ramp up revenue in this division; and other statements regarding the business plans of the Company. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements.

Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue

reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general market conditions; changes to consumer preferences; and volatility of commodity prices; and other factors beyond the control of the parties. 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.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about BevCanna's revenue, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set out in the above paragraphs. The actual financial results of BevCanna may vary from the description set out herein and such variation may be material. BevCanna and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, BevCanna undertakes no obligation to update such FOFI. FOFI contained in this news release was made as of the date hereof and was provided for the purpose of providing further information about BevCanna's anticipated future business operations. Readers are cautioned that the FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein.