

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

BevCanna Enterprises Inc. (the "**Company**")
200 – 1672 West 2nd Avenue
Vancouver, BC, V6J 1H4

Item 2 Date of Material Change

September 4, 2020.

Item 3 News Release

The news release dated September 4, 2020 was disseminated via Cision.

Item 4 Summary of Material Change

The Company announced that it has entered into a share exchange agreement (the "**Agreement**") to acquire (the "**Acquisition**") natural health product company Naturally Pure Therapy Products Corp. ("**Pure Therapy**"). Pure Therapy is a direct-to-consumer e-commerce company selling a range of natural health products, including nutraceutical and hemp-based cannabidiol products throughout North America and Western Europe. Pure Therapy's extensive catalogue of formulations are proprietary and professionally crafted based on market demand and product quality. Every product manufactured is third-party tested for purity and manufactured in GMP (good manufacturing practices) certified facilities.

Item 5 Full Description of Material Change.

5.1 Full Description of Material Change

The Company announced that it has entered into an Agreement to acquire Pure Therapy. Pure Therapy is a direct-to-consumer e-commerce company selling a range of natural health products, including nutraceutical and hemp-based cannabidiol products throughout North America and Western Europe. Pure Therapy's extensive catalogue of formulations are proprietary and professionally crafted based on market demand and product quality. Every product manufactured is third-party tested for purity and manufactured in GMP (good manufacturing practices) certified facilities.

Pursuant to the Agreement, the Company has agreed to issue 30,000,000 common shares in the capital of the Company (each, a "Consideration Share") to the shareholders of Pure Therapy in exchange for all the issued and outstanding securities of Pure Therapy at a deemed price of \$0.20 per Consideration Share for total deemed consideration of \$6,000,000 (the "**Purchase Price**"). No finder's fee is payable in connection with the Acquisition. The Acquisition is an arm's length transaction.

In addition to customary conditions associated with such a transaction, the Agreement provides that the closing is subject to the following conditions: (i) receipt of all necessary regulatory

approvals; (ii) each of the board of directors of the Company and Pure Therapy having approved the Acquisition; (iii) the Company being satisfied with the results of its due diligence regarding the financial position of Pure Therapy; (iv); Pure Therapy shall have at least C\$125,000 in cash assets immediately prior to the closing of the Acquisition; and (vi) Pure Therapy shall not have any liabilities immediately prior to the closing of the Acquisition.

None of the securities issued in connection with the Acquisition will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

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

September 8, 2020.

BevCanna to Acquire Natural Health and Wellness E-commerce Retailer Naturally Pure Therapy Products Corp.

Acquisition will provide access to the burgeoning global natural health products market and a significant platform on which to launch hemp-based CBD beverage line

VANCOUVER, BC, Sept. 4, 2020 /CNW/ - Emerging leader in infused cannabis beverages, BevCanna Enterprises Inc. (CSE: BEV) (OTCQ: BVNMF) (FSE: 7BC) ("**BevCanna**" or the "**Company**") is pleased to announce that it entered into a share exchange agreement (the "Agreement") to acquire (the "**Acquisition**") natural health product company Naturally Pure Therapy Products Corp. ("**Pure Therapy**"). Pure Therapy is a direct-to-consumer e-commerce company selling a range of natural health products, including nutraceutical and hemp-based cannabidiol products throughout North America and Western Europe. Pure Therapy's extensive catalogue of formulations are proprietary and professionally crafted based on market demand and product quality. Every product manufactured is third-party tested for purity and manufactured in GMP (good manufacturing practices) certified facilities.

The Acquisition will provide BevCanna a proven e-commerce brand and platform to further expand and launch its own propriety products directly into the global health and wellness market, including the burgeoning US CBD market. Pure Therapy brings an extensive list of over 22,000 customers that it has acquired since 2017. The brand has achieved unaudited calendar year 2019 gross revenues of C\$4,768,000, and a net profit of C\$218,000. BevCanna projects immediate growth in the brand in 2020 and beyond achieved through new product integration, and by accelerating the growth of the existing natural health products line, leveraging the extensive e-commerce marketing expertise of the existing Pure Therapy team. The current mix of subscription-based and traditional sales revenue will also provide a strong recurring revenue stream for BevCanna.

"The Pure Therapy business is a very synergistic addition to BevCanna," commented John Campbell, Chief Strategic Officer at BevCanna. "The brand has a substantial existing customer base and a very powerful direct sales platform in which we can significantly leverage through increased marketing spend, and new product integration into an already proven model. Specifically, the acquisition will serve as a conduit to launch our hemp-based CBD beverages into the United States and other global markets. We'll be able to immediately access their existing customer base and will accelerate the growth of the site by adding more high-margin value-added products and enhancing the branding direction."

Terms of the Acquisition

Pursuant to the Agreement, BevCanna has agreed to issue 30,000,000 common shares in the capital of the Company (each, a "**Consideration Share**") to the shareholders of Pure Therapy in exchange for all the issued and outstanding securities of Pure Therapy at a deemed price of \$0.20 per Consideration Share for total deemed consideration of \$6,000,000 (the "**Purchase Price**"). No finder's fee is payable in connection with the Acquisition. The Acquisition is an arm's length transaction.

Conditions of the Acquisition

In addition to customary conditions associated with such a transaction, the Agreement provides that the closing is subject to the following conditions: (i) receipt of all necessary regulatory approvals; (ii) each of the board of directors of BevCanna and Pure Therapy having approved the Acquisition; (iii) BevCanna being satisfied with the results of its due diligence regarding the financial position of Pure Therapy; (iv); Pure Therapy shall have at least C\$125,000 in cash assets immediately prior to the closing of the Acquisition; and (vi) Pure Therapy shall not have any liabilities immediately prior to the closing of the Acquisition.

None of the securities issued in connection with the Acquisition will be registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

BevCanna intends to provide a corporate update, on or before September 15, 2020, which will provide direction to its shareholders on operations, licensing, and strategic focus for the remainder of 2020.

About BevCanna Enterprises Inc.

BevCanna Enterprises Inc. (CSE: BEV, Q: BVNMF, 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 owns a 298-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.

Forward-Looking Information: This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company, including the statements regarding the consideration to be payable in connection with the closing of the Acquisition; the benefits of combining the businesses of Pure Therapy and the Company; the terms of the Acquisition and the anticipated timing of the corporate update news release. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include: that the Canadian Securities Exchange may not approve the Acquisition as proposed or at all; that the parties may not be able to satisfy the conditions to closing of the Acquisition; adverse market conditions; and other factors beyond the control of the parties. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information contained in this news release.

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<http://www.prnewswire.com/news-releases/bevcanna-to-acquire-natural-health-and-wellness-e-commerce-retailer-naturally-pure-therapy-products-corp-301124543>

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CO: BevCanna Enterprises Inc.

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