

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: **BEV**

Number of Outstanding Listed Securities: **64,300,367**

Date: **May 7, 2020**

#### 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 April 2020, the Issuer continued developing cannabinoid-infused beverages and consumer products for in-house brands and white label clients.**
2. Provide a general overview and discussion of the activities of management.
  - **Developing new infused cannabis beverage brands.**
  - **Developing water-soluble powder drink mix in California.**
  - **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.**
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 April 9, 2020, the Issuer announced that it has entered into a marketing and investor relations agreement (the "Agreement") dated April 3, 2020 with Aktiencheck.de corporate branding, marketing, online corporate communications and investor relations services to the Issuer for a term of one month for total cash consideration of €50,000, which was paid upon entry into the Agreement. The Issuer and the Consultant maintain an arm's length relationship, and the Consultant does not have any interest, directly or indirectly, in the securities of the Issuer.**

**On April 17, 2020, the Issuer announced that it has entered into a second marketing and investor relations agreement (the "Second Agreement") dated April 16, 2020 with the Consultant pursuant to which the Consultant has agreed to provide certain corporate branding, marketing, online corporate communications and investor relations services to the Issuer for a term of one month for total cash consideration of €25,000, which was paid upon entry into the Second Agreement. The Issuer and the Consultant maintain an arm's length relationship, and the Consultant does not have any interest, directly or indirectly, in the securities of the Issuer.**

**On April 29, 2020, the Issuer announced that it has entered into a third marketing and investor relations agreement (the "Third Agreement") dated April 27, 2020 with the Consultant pursuant to which the Consultant has agreed to provide certain corporate branding, marketing, online corporate communications and investor relations services to the Issuer for a term of one month (the "Term"), for total cash consideration of €125,000, €25,000 of which was paid upon entry into the Agreement, with the remaining amount payable over the Term.**

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.

**See #1.**

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 trade-marks.

**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.

**See #5.**

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

**On April 14, 2020, the Issuer announced it has closed a non-brokered private placement financing (the "Equity Financing") of \$300,000. The Issuer also announced the closing of the first tranche of a non-brokered financing (the "Debenture Financing") of secured convertible debentures (each, a "Debenture") for gross proceeds of \$630,000.**

### **The Equity Financing**

**Pursuant to the Equity Financing, the Issuer sold 705,879 common shares (each, a "Share") at a price of \$0.425 per Share for gross proceeds of**

**\$300,000. The Issuer intends to use the proceeds of the Equity Financing for general working capital purposes.**

### **The Debenture Financing**

**The Debentures will mature on the date that is 36 months from the date of issuance (the "Issue Date") and will bear interest at a rate of 8.0 per cent per annum, accrued and paid semi-annually in arrears in equal instalments at the end of each calendar quarter, commencing on the date of issuance of the Debentures. Repayment of the Debentures will be made on or prior to 5:00 p.m. PST, on the date which is 36 months following the Issue Date (the "Maturity Date").**

**The principal amount of the Debentures may be convertible, at the election of the holder of the Debentures (the "Debentureholders"), into common shares in the capital of the Issuer (each, a "Conversion Share"), in whole or in part, at any time following the Issue Date but on or before the Maturity Date at a conversion price of \$0.75 per Conversion Share (the "Conversion Price"). The Debentures are secured by a first ranking charge over the Issuer's present and after acquired properties, subject to permitted encumbrances.**

**Further, the Debentures have a mandatory conversion feature such that the Issuer may elect to automatically convert the principal amount of the Debentures into Conversion Shares at the Conversion Price in the event the volume-weighted average closing of the Shares on the Canadian Securities Exchange is at least \$1.00 per Share for 10 consecutive trading days. All accrued and unpaid interest will be paid in cash. Commencing 18 months after the date of issuance of the Debentures the Issuer may, at any time and from time to time, at its option, redeem all, or any portion of the Debentures at a price equal to 110 per cent of the principal amount of the Debentures plus all accrued and unpaid interest up to and including the date of redemption, upon not less than 15 days' and not more than 60 days' prior written notice to the Debentureholders. The proceeds of the Debenture Financing will be used for general working capital purposes. The Debentures will not be listed or posted for trading on any exchange.**

### **Debt Settlement**

**The Issuer also announces that it has settled debt in the amount of \$758,500 owed by the Issuer to creditors of the Issuer in exchange for the issuance of 1,896,250 common (each, a "Debt Settlement Share") at a deemed price of \$0.40 per Debt Settlement Share. Included in the total debt settlement was a settlement of debt in the amount of \$60,000 owed to John Campbell, a director and officer of the Issuer, for unpaid remuneration for services provided by Mr. Campbell as an officer of the Issuer, and a settlement of debt in the amount of \$250,000 owed to Naturo Group**

Investments Inc. ("Naturo"), a company controlled by Marcello Leone, the Chief Executive Officer, Chairman and a director of the Issuer, in repayment of a strategic advance.

The securities issued in the Equity Financing, the Debenture Financing and the debt settlement are subject to resale restrictions imposed by applicable law or regulation, including a statutory hold period expiring four months and one day from the date of closing of the transactions.

On April 29, 2020, the Issuer announced that it has settled debt in exchange for 492,750 Shares in the capital of the Issuer with Naturo, in repayment of a strategic advance. The payment settles debt in the amount of \$197,100 owed by the Issuer to Naturo. The Shares were acquired at a deemed price of \$0.40 per Share. Naturo is a company controlled by Marcello Leone, the Chief Executive Officer, Chairman and a director of the Issuer.

The securities acquired by Naturo in the debt settlement are subject to resale restrictions imposed by applicable law or regulation, including a statutory hold period expiring four months and one day from the date of closing of the transaction.

On April 29, 2020, the Issuer also announced it has settled debt in the amount of \$20,000 owed by the Issuer to a creditor of the Issuer in exchange for 50,000 Shares in the capital of the Issuer at a deemed price of \$0.40 per Share.

The securities acquired by the creditor in the debt settlement are subject to resale restrictions imposed by applicable law or regulation, including a statutory hold period expiring four months and one day from the date of closing of the transaction.

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

**None.**

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

On April 17, 2020, the Issuer announced that it has appointed Marcello Leone as a member of the Audit Committee to fill the vacancy resulting from the resignation of Matthew Christopherson as a director.

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 **May 7, 2020**

**Marcello Leone**

Name of Director or Senior  
Officer

**"Marcello Leone"**

Signature

**CEO and Director**

Official Capacity

<b><i>Issuer Details</i></b>	For Month End	Date of Report
Name of Issuer <b>BevCanna Enterprises Inc.</b>	<b>April 2020</b>	YY/MM/D <b>20/04/07</b>
Issuer Address <b>200 – 1672 West 2nd Avenue</b>		
City/Province/Postal Code <b>Vancouver, BC, V6J 1H4</b>	Issuer Fax No. <b>N/A</b>	Issuer Telephone No. <b>604-569-1414</b>
Contact Name <b>Marcello Leone</b>	Contact Position <b>CEO and Director</b>	Contact Telephone No. <b>604-569-1414</b>
Contact Email Address <b>info@bevcanna.com</b>	Web Site Address <b>www.bevcanna.com</b>	