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BevCanna Announces Non-Brokered Private Placement and Provides Corporate Update

VANCOUVER, British Columbia – May 3, 2024 - BevCanna Enterprises Inc. (CSE:BEV, OTC:BVNNF, FSE:7BC) (“**BevCanna**” or the “**Company**”), a diversified lifestyle and wellness consumer packaged goods company, announces a non-brokered private placement of up to 590,000 common shares of the Company (each, a “**Common Share**”) at a price of \$1.50 per Common Share for aggregate gross proceeds of up to approximately \$885,000 (the “**Offering**”), subject to minimum offering of at least \$500,000 (the “**Minimum Offering**”).

There is an offering document (the “**Offering Document**”) related to the Offering that can be accessed under the Company’s profile at www.sedarplus.ca and on the Company’s website at www.bevcanna.com. Prospective investors should read this Offering Document before making an investment decision.

The Common Shares offered in the Offering shall be offered to purchasers in British Columbia and Ontario pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the “**Listed Issuer Financing Exemption**”). Common Shares offered under the Listed Issuer Financing Exemption will not be subject to resale restrictions for Canadian resident investors pursuant to applicable Canadian securities laws.

The Company has not engaged any dealers or finders in connection with the Offering. While the Company does not anticipate paying any finder’s fees with respect to the Offering, finder’s fees may be payable to eligible arms-length finders or dealers in the event a subscriber in the Offering is introduced through an arm’s length finder who is eligible to receive a fee or commission in accordance with CSE policies and applicable securities laws.

As disclosed in the Offering Document, the Company intends to use the net proceeds from the Offering to fund relaunching its TRACE brand water products in Canada, expanding the distribution market of its TRACE brand water products to Asia, launching its nutraceutical health product e-commerce platform through its wholly-owned subsidiary, Pure Therapy (as defined below – see below for additional details), and for general working capital purposes.

Closing of the Offering remains subject to certain conditions including, but not limited to, completion of a Minimum Offering, the receipt of all necessary regulatory and other approvals, including the Company’s completion of its filing obligations under the policies of the CSE. The



Company expects to close the Offering on or about May 10, 2024, or on any other such date as the Company may determine.

None of the securities issued pursuant to the Offering have been or 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 news 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.

Corporate Update

Pure Therapy

The Company is also pleased to announce that it intends to sell a range of proprietary nutraceutical health products on its e-commerce platform in the United States through its wholly-owned subsidiary, Naturally Pure Therapy Products Corp. (“**Pure Therapy**”). Product segments cover life longevity, heart health, sleep health, brain support, beauty, general wellness, and natural slimming. With an extensive catalogue of premium-grade proprietary formulations, all products under the Pure Therapy umbrella are manufactured in GMP-certified facilities and independently tested for purity.

Balance Sheet Improvements

The Company is also pleased to announce that it continues to prioritize improving its balance sheet. As disclosed in the Offering Document, the Company expects to complete various corporate actions to improve its balance sheet by decreasing or restructuring current liabilities concurrent with the Offering. A summary of the plans of the Company is as follows:

- The Company’s wholly-owned subsidiary, Naturo Group Enterprises Inc. (“**Naturo**”) anticipates closing an additional tranche of promissory notes (each, a “**Note**”) pursuant to its secured promissory note private placement (the “**Note Offering**”) in May 2024, for gross proceeds of approximately \$400,000. The Company has previously raised \$1,382,065 pursuant to the Note Offering. For additional details regarding the Note Offering, please refer to the Company’s previously disclosed news releases dated January 22, 2024, January 29, 2024, and February 23, 2024, among others.
- The Company has arms-length and related party debt outstanding, and the Company anticipates that the parties will convert their outstanding debt into Common Shares in May 2024. In addition, the Company anticipates that subscribers of the Notes will convert their outstanding Notes into equity in May 2024.



- The Company has short-term mortgage and secured convertible debenture obligations, and it is currently engaged in discussions with an arm's length financial institution with the expectation of replacing the existing short-term mortgages with a long-term mortgage (3-year term).
- In 2023, the Company filed for voluntary bankruptcy of its wholly-owned and majority-owned subsidiaries BevCanna Operating Corp., and Naturo Springs Ltd. respectively, and it intends to file for voluntary bankruptcy for its wholly-owned subsidiaries, Embark Health Inc., Embark Delta Inc., and Embark Nano Inc. (collectively, the “**Embark Subsidiaries**”) by the end of May 2024.

About BevCanna Enterprises Inc.

BevCanna Enterprises Inc. (CSE:BEV, OTC:BVNNF, FSE:7BC) is a diversified lifestyle and wellness consumer packaged goods company. BevCanna develops and manufactures a range of alkaline, mineralized, and cannabinoid beverages and supplements for both in-house brands and white-label clients.

Based in British Columbia, Canada, BevCanna owns a pristine alkaline spring water aquifer and a high capacity 40,000–square–foot, Health Canada and HACCP certified flexible manufacturing facility in Osoyoos, British Columbia. The Company’s extensive distribution network includes traditional and regulated retail distribution, and online through its market-leading brands.

On behalf of the Board of Directors:

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

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. 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. Forward-looking statements made in this news release include, but are not limited, to: the Company completing the Offering as planned, the intended use of proceeds of the Offering, the closing conditions of the Offering, the CSE approval of the Offering, if necessary, the anticipated closing date of the Offering, the participation of finders or dealers in connection with the Offering, the business plans of Pure Therapy, that the Company will



file for voluntary bankruptcy for each of the Embark Subsidiaries, that the Company will successfully renegotiate its short-term debts, that the Company will close another tranche of the Note Offering, that the Company will settle outstanding debts, and that the holders of the Notes will convert their Notes into equity, each on the timelines set out herein.

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, the Company may not complete the Offering as proposed; the CSE may not approve the Offering; the proceeds of the Offering may not be used as stated in this news release; the Company may be unable to satisfy all of the conditions to the Closing including the Minimum Offering; the Company may not be able to negotiate its short-term debts on favorable terms or at all; the Company's inability to complete debt settlements as anticipated or at all; the Company's inability to complete another tranche of the Note Offering as anticipated or at all; all of or some of the holders of the Notes may not convert their Notes into equity; general market conditions; changes to consumer trends and preferences in the markets in which the Company operates; inability to enter into commercial agreements as anticipated or at all; and other factors beyond the control of the Company. BevCanna expressly 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 applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.

Neither the Canadian Securities Exchange nor any Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.