

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Nunavut and Yukon, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*This preliminary short form prospectus is a base shelf prospectus. This preliminary short form base shelf prospectus has been filed under legislation in British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Nunavut and Yukon that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except where an exemption from such delivery requirements is available.*

**No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act” or any state securities laws and may not be offered or sold within the United States of America, its territories and possessions, any State of the United States and the District of Columbia (the “United States”), or to, or for the account or benefit of, a person in the United States unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, a person in the United States. See “Plan of Distribution” for more information.**

**Information contained herein is subject to completion or amendment. This Prospectus (as defined herein) shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.**

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Yerbaé Brands Corp. at 18801 N. Thompson Peak Parkway, Suite D-380, Scottsdale, Arizona, USA, 85255, telephone +1 (480) 471-8391, and are also available electronically on the Canadian Securities Administrator’s SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).**

## SHORT FORM BASE SHELF PROSPECTUS

NEW ISSUE

JANUARY 4, 2023

The logo for Yerbaé, featuring the brand name in a white, sans-serif font with a smiley face icon integrated into the letter 'a'.

# YERBAÉ BRANDS CORP. US\$50,000,000

Common Shares  
Preferred Shares  
Warrants  
Subscription Receipts  
Units  
Debt Securities

This preliminary short form base shelf prospectus (this “**Prospectus**”) relates to the offering for sale by Yerbaé Brands Corp. (the “**Company**”, “**Yerbaé**”, “**we**”, “**us**”, or “**our**”) from time to time, during the 25-month period that this Prospectus, including any amendments hereto, remains effective, of the following securities of the Company in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to US\$50,000,000

(or the equivalent thereof in United States dollars or one or more foreign currencies or composite currencies): (i) common shares in the capital of the Company (each, a “**Common Share**” or “**Share**”); (ii) preferred shares of the Company of any series (each, a “**Preferred Share**”); (iii) warrants (each, a “**Warrant**”) to purchase other Securities (as defined below) of the Company; (iv) subscription receipts (each, a “**Subscription Receipt**”); (v) units (each, a “**Unit**”) comprising of one or more of the other Securities; and (vi) debt securities (the “**Debt Securities**” and collectively with the Common Shares, Warrants, Subscription Receipts, and Units, collectively referred to herein as the “**Securities**”). The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement (each, a “**Prospectus Supplement**”).

In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and the assumption of liabilities.

The Common Shares are listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol “YERB.U” and on the OTCQX® Best Market under the symbol “YERBF”. Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement. On January 3, 2024, being the last complete trading day prior to the date hereof, the closing price of the Common Shares on the TSXV was US\$1.07.

**Unless otherwise specified in an applicable Prospectus Supplement, the Preferred Shares, the Debt Securities, Subscription Receipts, Units and Warrants will not be listed on any securities or stock exchange or on any automated dealer quotation system. There is currently no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities and the extent of issuer regulation. See “Risk Factors” for a more complete discussion of these risks.**

**Acquiring the Securities may subject prospective investors to tax consequences both in Canada and the United States. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.**

**No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

**The Company is not making and will not make an offer of these Securities in any jurisdiction where the offer or sale is not permitted. This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in such jurisdiction.**

All applicable information permitted under securities legislation to be omitted from this Prospectus that has been so omitted will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains. You should read this prospectus and any applicable Prospectus Supplement carefully before you invest in any securities issued pursuant to this Prospectus. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms

determined by us. A Prospectus Supplement will set out the names of any underwriters, dealers or agents involved in the sale of Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the net proceeds we expect to receive from the sale of such securities, if any, the amounts and prices at which such Securities are sold and the compensation of such underwriters, dealers or agents. See “*Plan of Distribution*” for more information.

**Investment in the Securities being offered is highly speculative and involves significant risks that Prospective investors should consider before purchasing such Securities. Prospective investors should carefully review the risks outlined in this Prospectus (including any Prospectus Supplement) and in the documents incorporated by reference as well as the information under the heading “*Cautionary Note Regarding Forward-Looking and Other Statements*” and consider such risks and information in connection with an investment in the Securities. See “*Risk Factors*” for a more complete discussion of these risks.**

The specific terms of any Securities offered will be described in a Prospectus Supplement, including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms; (ii) in the case of Preferred Shares, the number of Preferred Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and the special rights and restrictions attached to the Preferred Shares; (iii) in the case of Warrants, the number of Warrants being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise and any other specific terms; (iv) in the case of Units, the number of Units offered, the offering price, the designation, number and terms of the other Securities comprising the Units, and any other specific terms; (v) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other specific terms; and (vi) in the case of Debt Securities, the designation of the Debt Securities, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, whether payment on the Debt Securities will be senior or subordinated to the Company’s other liabilities and obligations, the nature and priority of any security for the Debt Securities, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions, any arrangements with the trustee for the Debt Securities and any other specific terms. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Investors should rely only on the information contained in or incorporated by reference into this Prospectus and any applicable Prospectus Supplement. We have not authorized anyone to provide investors with different information. Information contained on the Company’s website shall not be deemed to be a part of this Prospectus (including any applicable Prospectus Supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the face page of this Prospectus, the date of any applicable Prospectus Supplement or the date of any documents incorporated by reference herein.

The Company and each of Todd Gibson, an officer and director of the Company, Karrie Gibson, an officer and director of the Company, Nick Cranny, an officer of the Company, Carl Sweat, a director of the Company, and Andy Dratt, a director of the Company, reside outside of Canada. Accordingly, each of the Company, Messrs. Gibson, Cranny, Sweat and Dratt and Ms. Gibson have appointed Clark Wilson LLP, at 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1, as agent for service of process. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued

or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company's head office is located at 18801 N. Thompson Peak Parkway, Suite D-380, Scottsdale, Arizona, USA, 85255. The Company's registered office is located at 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

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## ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. References to this “Prospectus” include documents incorporated by reference herein. The Company has not authorized anyone to provide any information that is different. The information in or incorporated by reference into this Prospectus is current only as of the date of this Prospectus or the date on the front of such other documents. It should not be assumed that the information contained in this Prospectus is accurate as of any other date. The Company is not making an offer of these Securities in any jurisdiction where the offer is not permitted by law.

Before purchasing any Securities, prospective investors should carefully read both this Prospectus and any accompany Prospectus Supplement prepared by the Company, together with any additional information described under the heading “*Documents Incorporated by Reference*”.

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to “we”, “us”, “our” or similar terms, as well as references to the “Company”, refer to Yerbaé Brands Corp. together, where context requires, with its subsidiaries and affiliates. The term “management” in this Prospectus means those persons acting, from time to time, in the capacities of executive officers of the Company. Any statements in this Prospectus made by or on behalf of management are made in such persons’ capacities as officers of the Company and not in their personal capacities.

The Company may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings up to an aggregate amount of US\$50,000,000. This Prospectus provides a general description of the Securities that the Company may offer. All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of those Securities to which the Prospectus Supplement permits.

In this Prospectus and any Prospectus Supplement, unless otherwise indicated, all dollar amounts are in Canadian dollars and all Securities related figures are tabulated on a post-Consolidation (as defined below) basis.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS

Certain statements and other information contained or incorporated by reference in this Prospectus constitute forward- looking information under Canadian securities legislation (collectively, “**forward-looking statements**”) including, without limitation, statements containing the words “believe,” “may,” “plan,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “predict,” “project,” “potential,” “continue,” “ongoing” or the negative or grammatical variations of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by the Company in light of the Company’s experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Such forward-looking statements include, but are not limited to:

- the Company’s ability to maintain the listing of the Common Shares on the TSXV;
- the Company’s strategy and intention to grow the business;
- the Company’s expectations regarding industry trends, overall market growth rates and its growth rates and growth strategies;
- the Company’s expectations regarding revenues, expenses, and anticipated cash needs;
- the Company’s ability to obtain funding for its operations;
- the Company’s intended use of net proceeds from the sale of the Securities;
- the number of Securities the Company intends to issue;
- the liquidity and market price of the Common Shares;

- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- litigation risks;
- currency fluctuations;
- risks related to debt securities being secured;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders (collectively, the "Shareholders") sell substantial amounts of Common Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- the expected timing and completion of the Company's near term objectives;
- laws and regulations and any amendments thereto applicable to the Company;
- the Company's competitive advantages and business strategies;
- the Company's future product offerings;
- the Company's ability to identify, attract, hire, train, motivate and retain personnel;
- stock market volatility;
- anticipated costs and ability to achieve goals;
- the Company's competitive position and its expectations regarding competition; and
- anticipated trends and challenges in the Company's business and the markets in which it operates.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties.

In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including, but not limited to:

- the Company's ability to build its market share;
- the performance of the Company's business and operations;
- the Company's ability to retain key personnel;
- the Company's ability to maintain and expand geographic scope;
- the Company's ability to execute on its expansion plans;
- criticism of energy drink products and/or the energy drink market;
- economic downturn and continued uncertainty in the financial markets and other adverse changes in general economic or political conditions, as well as other major macroeconomic phenomena;
- net revenues derived entirely from energy drinks; increased competition; relationships with co-packers and distributors and/or their ability to manufacture and/or distribute the Company's products;
- the Company's relationships with existing customers;
- changing retail landscape; increases in costs and/or shortages of raw materials and/or ingredients and/or fuel and/or costs of co-packing; failure to accurately estimate demand for its products;
- the Company's maintenance of brand image or product quality;
- the Company's retention of the full-time services of senior management;
- the Company's ability to continue investing in its products to support the Company's growth;
- the Company's ability to obtain and maintain existing financing on acceptable terms;
- currency exchange and interest rates;
- the impact of competition;
- the changes and trends in the Company's industry or the global economy;
- the size of the target markets for the Company's products;
- the Company's ability to maintain, expand and protect its intellectual property; and
- the changes in laws, rules, regulations, and global standards.



Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements.

Readers are cautioned that these factors are difficult to predict and that the assumptions used in developing the Forward-Looking Statements may prove to be incorrect. Readers are also cautioned that the list of risk factors contained in this prospectus or the documents incorporated by reference herein is not exhaustive. Accordingly, readers are cautioned that the Company's actual results may vary from the Forward-Looking Statements, and the variations may be material.

Additional information on these and other factors is provided under the heading "*Risk Factors*" in this Prospectus and in the documents incorporated by reference herein including in the September 30, 2023 MD&A (as defined herein) under the heading "*Risk Factors*" and in the Information Circular and the Annual Information Form (as such terms are defined herein) under the headings "*Risk Factors*", as may be modified or superseded by other subsequently filed documents that are also incorporated or deemed to be incorporated by reference in this Prospectus.

Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this Prospectus and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

## **MARKET AND INDUSTRY DATA**

Market and industry data presented in this Prospectus was obtained from third party sources, industry reports, journals, studies and publications, websites and other publicly available information, as well as industry and other data prepared by the Company or on the Company's behalf on the basis of our knowledge of the functional beverage and energy drink industries, markets and economies (including our opinions, estimates and assumptions relating to such industries, markets and economies based on that knowledge). We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information. Actual outcomes may vary materially from those forecasted in such reports or publications, and the likelihood for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying industry, market, economic and other assumptions relied upon by such sources. Industry, market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

## **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in Canada.**

Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Company at 18801 N. Thompson Peak Parkway, Suite D-380, Scottsdale, Arizona, USA, 85255, telephone +1 (480) 471-8391, and are also available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).

As of the date hereof, the following documents of the Company, filed with the securities commissions or similar regulatory authorities in each of the provinces of British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this Prospectus provided that such documents are not incorporated by

reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in the Prospectus, as further described below:

- the management information circular for the annual general and special meeting of the Company of Kona Bay Technologies Inc. (“**Kona Bay**”) (now Yerbaé) dated November 13, 2022 (the “**Information Circular**”), filed on November 15, 2022;
- the audited annual consolidated financial statements of Kona Bay (now Yerbaé) for the years ended September 30, 2022 and September 30, 2021, the notes thereto and the independent auditor’s report thereon, filed on January 13, 2023 (the “**Kona Bay Annual Financial Statements**”);
- the annual management’s discussion and analysis (“**MD&A**”) of Kona Bay (now Yerbaé) for the years ended September 30, 2022 and September 30, 2021, and filed on January 13, 2023;
- the audited annual consolidated financial statements of Yerbaé Brands Co. (“**Yerbaé USA**”), the operating company of Yerbaé, for the years ended December 31, 2022 and December 31, 2021, the notes thereto and the independent auditor’s report thereon, filed on April 28, 2023 (the “**Yerbaé Annual Financial Statements**”);
- the Company’s unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, as amended, filed on December 21, 2023, together with the notes thereto;
- the Company’s MD&A for the three and nine months ended September 30, 2023 (the “**September 30, 2023 MD&A**”), filed on November 29, 2023;
- the Company’s Form 51-102F2 – *Annual Information Form* dated September 25, 2023 (the “**Annual Information Form**”), filed on September 25, 2023; and
- the Company’s material change reports dated:
  - February 17, 2023 with respect to the completion (the “**Closing**”) of the Company’s acquisition merger and business combination with Yerbaé USA, a Delaware incorporated naturally caffeinated, zero calorie, plant-based energy beverage company operating out of Scottsdale, Arizona (the “**Transaction**”) and, in connection therewith, the re-qualification for listing of the Common Shares on the facilities of the TSXV;
  - April 19, 2023 with respect to the closing of the Company’s first tranche (the “**First Debenture Tranche**”) of its brokered private placement offering of up to 3,000 unsecured convertible debenture units (collectively, the “**Debenture Units**”) at a price of US\$1,000 per Debenture Unit for aggregate gross proceeds of up to US\$3,000,000 (the “**Brokered Debenture Offering**”), which First Debenture Tranche consisted of 1,650 Debenture Units for gross proceeds of US\$1,650,000;
  - May 17, 2023 with respect to secured Yerbaé LLC’s, a wholly-owned Delaware subsidiary of the Company, securing of an accounts receivable and inventory line of credit of US\$2,500,000 (the “**Debt Facility**”) from Oxford Commercial Finance, a Michigan banking corporation (“**Oxford Bank**”);
  - June 2, 2023 with respect to the Company entering into certain consulting agreements with each of FORCE Family Office, Inc. (“**FORCE**”) and Monied Media Ltd. (“**Monied Media**”) for the provision of certain business development and corporate strategies services as well as the grant of Restricted Share Units (each, a “**RSU**”) of the Company to certain members of Yerbaé’s advisory board;

- July 5, 2023 with respect to the Company entering into a consulting agreement for certain investor relations services with Atrium Research Corporation (“**Atrium**”) as well as the termination of Yerbaé’s consulting arrangement with Native Ads, Inc. (“**Native Ads**”) in February of 2023;
- July 5, 2023 with respect to the resignation of William Finn as the Chief Financial Officer (“**CFO**”) of the Company and, in his place, the appointed Nick Cranny as the Interim CFO;
- August 22, 2023 with respect to the closing of the Company’s first tranche (the “**Initial Celebrity Tranche**”) of its non-brokered private placement (the “**Celebrity Financing**”) of units (each, a “**Celebrity Unit**”), which Initial Celebrity Tranche consisted of 2,219,629 Celebrity Units at a price of US\$1.83 per Celebrity Unit for aggregate gross proceeds of US\$4,061,921.07;
- September 8, 2023 with respect to the closing of the second tranche (the “**Second Celebrity Tranche**”) of its Celebrity Financing, which Second Celebrity Tranche raised an additional US\$412,352 for aggregate proceeds together with the Initial Celebrity Tranche of US\$4,474,273;
- September 20, 2023 with respect to the grant of certain options (each, an “**Option**”) to purchase Common Shares and the award of certain performance share units (each, a “**PSU**”) of the Company to certain consultants of the Company;
- September 26, 2023 with respect to the closing of the Company’s second tranche (the “**Second Debenture Tranche**”) of the Brokered Debenture Offering, which Second Debenture Tranche consisted of 2,152 Debenture Units for gross proceeds of US\$2,152,000 and for aggregate gross proceeds, together with the closing of the First Debenture Tranche, of US\$3,802,000;
- November 2, 2023 with respect to the grant of Options of the Company to an employee of the Company;
- November 23, 2023 with respect to the announcement of the Company’s brokered private placement (the “**Special Warrant Financing**”) of special warrants (each, a “**Special Warrant**”) and pricing of the Special Warrants at US\$1.50 per Special Warrant;
- December 12, 2023 with respect to the closing of Special Warrant Financing which consisted of the issuance of 1,003,468 Special Warrants, priced at US\$1.50 per Special Warrant, for aggregate gross proceeds of US\$1,505,202; and
- January 3, 2024 with respect to the grant of certain Options to purchase Common Shares and the award of certain RSUs and PSUs of the Company to certain directors and officers of the Company.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators to be incorporated by reference in this Prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of any offering of Securities hereunder shall be deemed to be incorporated by reference into this Prospectus.

**A Prospectus Supplement containing the specific terms of any offering of the Securities will be delivered to purchasers of the Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the offering of the Securities to which that Prospectus Supplement pertains.**

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such a statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Rather only such statements as so modified or superseded shall be considered to constitute part of this Prospectus.**

Upon the Company's filing of an annual information form and the related annual financial statements and MD&As with applicable securities regulatory authorities during the currency of this Prospectus, the Information Circular, the previous annual financial statements and MD&As and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of the Securities under this Prospectus.

Upon interim consolidated financial statements and the accompanying MD&As and material change report being filed by the Company with the applicable securities regulatory authorities during the duration of this Prospectus, all interim consolidated financial statements and the accompanying MD&As filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of securities under this Prospectus. In addition, upon an annual information form being filed by the Company with the applicable securities regulatory authorities during the term of this Prospectus for which the related annual comparative consolidated financial statements include at least nine months of financial results of an acquired business for which a business acquisition report was filed by the Company and incorporated by reference into this Prospectus, such a business acquisition report shall no longer be deemed to be incorporated into this Prospectus for the purpose of future offers and sales of the Securities hereunder.

References to the Company's website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on the Company's website into this Prospectus, and we disclaim any such incorporation by reference.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any "template version" of "marketing materials" (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by the Company after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

## ABOUT THE COMPANY

*The following description of the Company is, in some instances, derived from selected information about the Company contained in the documents incorporated by reference into this Prospectus. This description does not contain all of the information about the Company and its business that Prospective investors should consider before investing in any Securities. Prospective investors should carefully read the entire Prospectus and the applicable Prospectus Supplement, including under the heading “Risk Factors”, as well as the documents incorporated by reference into this Prospectus and the applicable Prospectus Supplement, before making an investment decision.*



### GENERAL

Yerbaé was amalgamated pursuant to the provisions of the *Business Corporations Act (British Columbia)* (“**BCBCA**”) on February 8, 2023, by articles of amalgamation whereby Kona Bay, as Yerbaé was then known, and 1362283 B.C. Ltd., a then wholly owned subsidiary of Kona Bay (“**FinCo**”), amalgamated to form “Yerbaé Brands Corp.”. Kona Bay was incorporated pursuant to the provisions of the BCBCA on June 30, 2003, and FinCo was incorporated pursuant to the provisions of the BCBCA on May 11, 2022. Yerbaé’s head office is located at 18801 N. Thompson Peak Parkway, Suite D-380, Scottsdale, Arizona, USA, 85255. Its registered and records office is located at 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 and its website is [www.yerbae.com](http://www.yerbae.com).

The Common Shares are listed and trade on the TSXV under the symbol “YERB.U” and on the OTCQX® Best Market under the symbol “YERBF”. The Company is currently a reporting issuer in Alberta and British Columbia and files its continuous disclosure documents on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### CORPORATE STRUCTURE

As of the date of the Prospectus, the Company has the following wholly-owned subsidiaries:

Subsidiary	Date of Incorporation/ Acquisition	Jurisdiction of Incorporation	Ownership Percentage	Direct or Indirect Ownership
Yerbaé Brands Co.	February 8, 2023 (Acquisition)	Delaware	100%	Direct
Yerbaé LLC	February 8, 2023 (Acquisition)	Delaware	100%	Indirect

<sup>(1)</sup> Yerbaé LLC is a wholly-owned subsidiary of Yerbaé Brands Co.

Yerbaé USA was incorporated under the Delaware *General Corporation Law* (“**DGCL**”) on August 21, 2020. Yerbaé LLC was organized under the State of Delaware *Limited Liability Company Act* on May 18, 2016.

### SUMMARY DESCRIPTION OF THE BUSINESS

The disclosures in this section “*Summary Description of the Business*” referring to the “Company” or “Yerbaé” refer collectively to Yerbaé, the holding company, as well as its operating subsidiaries Yerbaé USA and Yerbaé LLC as the context requires.



Yerbaé is an innovative and health-focused beverage company that creates clean functional plant-based products promoting a healthy lifestyle. Yerbaé was the first to mix plant-based ingredients and sparkling water with zero sugar, calories, and carbohydrates to produce an energy seltzer that performs without compromise.

Yerbaé was founded in 2016 to create a plant-based energy beverage containing non-GMO White Tea and Yerba Mate, a South American herb and a natural source of caffeine that is sustainably sourced from South America. Yerbaé's first beverage was launched in 2017 and in stores by the fall of 2017. Yerbaé is engaged in the development, marketing, sale, and distribution of plant-based energy beverages.

Yerbaé beverages are created to provide products targeted at consumers seeking healthier beverages as an alternative to traditional energy drinks and consumers focused on health, wellness, and fitness. The products are formulated to provide a more refreshing taste than coffee, with additional benefits to existing sodas and sparkling waters, along with healthier ingredients compared to traditional energy drinks. Yerbaé's products complement a variety of healthy lifestyles and diets, such as non-GMO, Keto, Vegan, Kosher, Paleo, and gluten-free diets. As of January 4, 2024, Yerbaé's products are sold and available on Amazon.com, [www.yerbae.com](http://www.yerbae.com) and sold in over 14,000 retail locations in the United States marketplace.

### Principal Products and Services

Yerbaé offers two primary beverage lines with a total of fourteen flavors. Yerbaé's two primary product lines are the 12oz Plant-Based Energy Seltzer Water and 16oz Plant-Based Energy Drink.



### 12 oz Energy Seltzer Water

Yerbaé’s unsweetened Energy Seltzer Water line is served in a 12 oz can with zero sugar and zero calories. The beverage offers a lighter flavor than the 16 oz Energy Drink line and contains 100 mg of caffeine.

### 16 oz Energy Drink

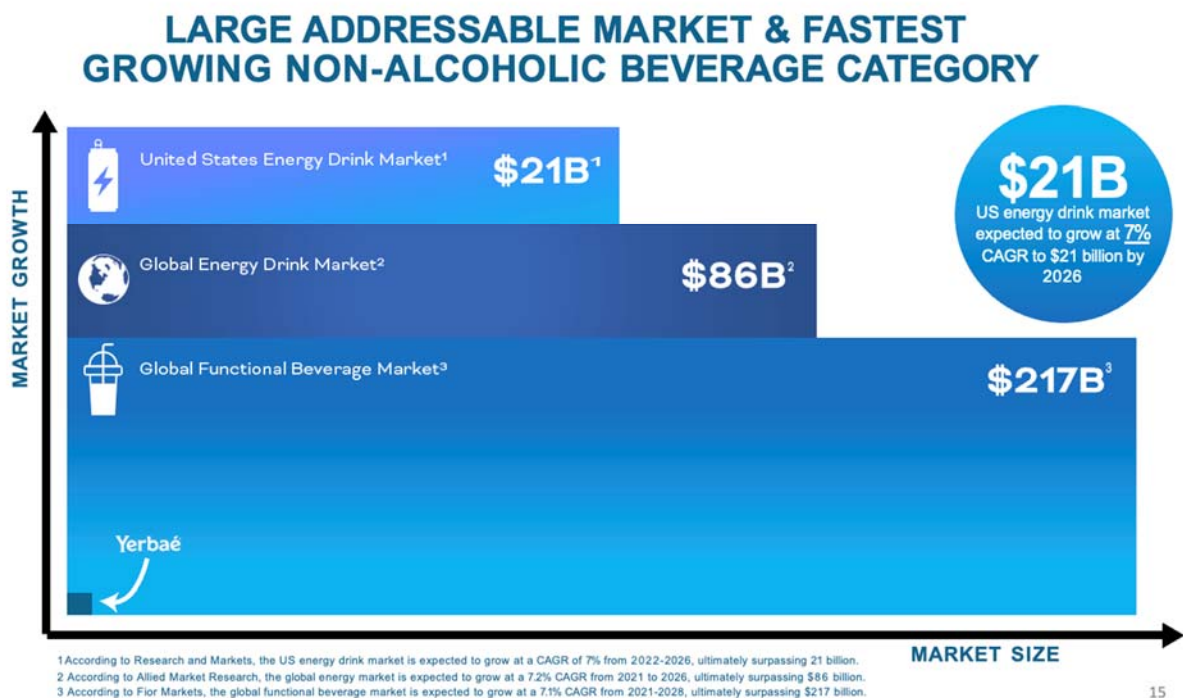
Yerbaé’s zero calorie 16oz Energy Drink line was introduced to the market in 2020 to provide consumers with a greater energy boost. The flavor is more full-bodied than the 12oz Energy Seltzer Water and uses non-GMO Stevia as the sweetener.

Products are generally packaged and sold in 12 and 15 can packs for all its flavors as well as variety packs which include an assortment of three flavors. The Company’s website also offers a subscription service.

Yerbaé is consistently optimizing its portfolio and innovating new flavors to continuously deliver a new and fresh flavor profile for the ever-changing taste buds of consumers. Yerbaé also intends to continue to build sales and distribution throughout the United States through its distribution channels and increasing consumer brand awareness through its marketing efforts.

### The Market

Yerbaé competes in a large and fast-growing market that is driven by an increased demand for energy drinks with a diverse nutritional profile and an increased adoption of healthy lifestyles since the COVID-19 pandemic. The U.S. energy-drink industry is estimated to be a US\$15 billion industry and it represents the fastest growing category within the non-alcoholic beverage space, rapidly gaining share from soft drinks and juices. Over the last year, the energy drink category has seen 8% sales growth compared to 2.8% for all beverages. The U.S. energy drink industry is estimated to reach US\$21 billion in sales by 2026, reflecting a 7% CAGR (see table below).

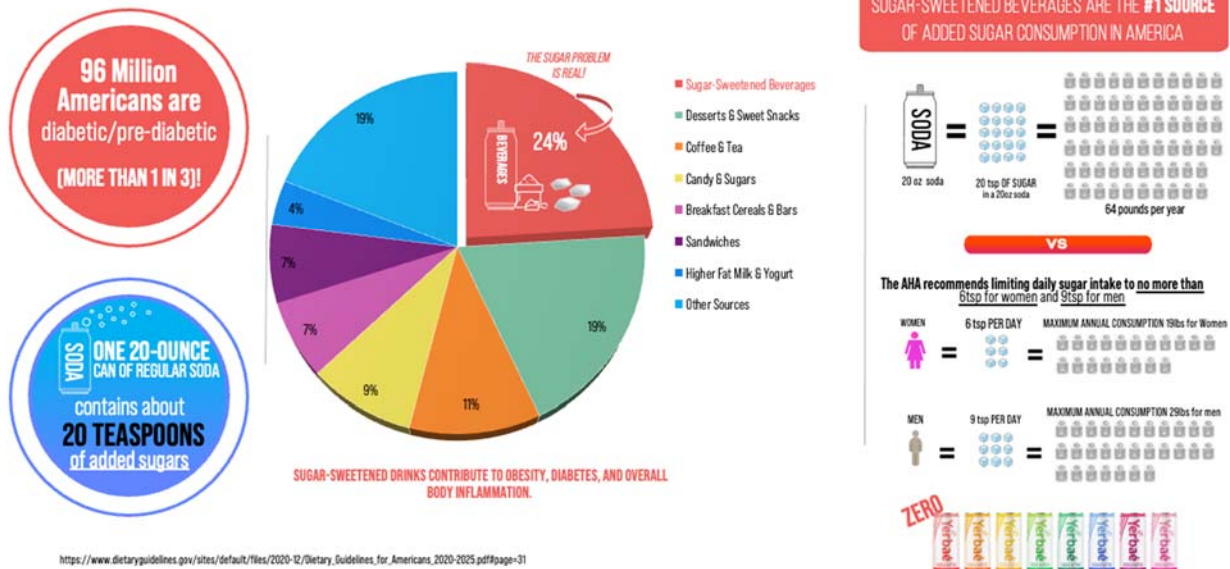




## The Market Opportunity

Many consumers are looking for functional beverages with cleaner ingredients and zero sugar, and Yerbaé believes it is uniquely positioned to be a significant player in this large addressable market and fastest growing non-alcoholic beverage category.

**SUGAR-SWEETENED BEVERAGES HAVE BECOME THE #1 SOURCE OF ADDED SUGAR CONSUMPTION IN AMERICA**  
 & CONSUMERS ARE LOOKING FOR **ZERO SUGAR** IN THEIR BEVERAGES.



## Strategy

Yerbaé is a naturally caffeinated beverage that is revolutionizing the clean energy space with its clean, simple, and delicious beverage lineup that gives the body energy from its plant-based functional ingredients with Zero Compromise! With 100% commitment to Zero, Yerbaé has successfully sold over 31 million cans of product.

Every part of Yerbaé was created to fit today's modern diets and serve wellness forward consumers.

Yerbaé's products were formulated with five key pillars in mind:

1. **Plant Power** – Utilizes the power of plants as the source of energy.
2. **Anti-Inflammation** – Created with Zero sugar, calories, and carbohydrates or other inflammatory ingredients.
3. **Diet Friendly** – Gluten-free, non-GMO, Keto, Paleo, Vegan, Kosher, & diabetic friendly.
4. **Sustainability** – Zero Single-use plastic bottles.
5. **Simple-Clean-Delicious.**



**Yerbaé**

ED BY YERBA MATE / ENERGY

**Yerbaé**  
ZERO

NATURALLY CAFFEINATED  
**ENERGY**

WATERMELON  
STRAWBERRY  
NATURALLY FLAVORED

NATURALLY PRESERVED 150mg CAFFEINE 16 FL OZ (473mL)

**FOUNDED ON WELLNESS**  
The goal was simple - design an energy beverage that didn't compromise on function or taste, but also had a clean ingredient panel so you could feel great about what you are drinking

**ANCHORED IN POSITIVITY**  
Yerbaé® is a brand that not only energizes your body and mind but inspires you to do the same for the people around you. Positivity, inclusiveness and generosity are all core to our brand values.

**...Rooted in Five Key Pillars**

- 01 **Plant-Based Energy**
- 02 **Zero Added Sugars  
Zero Artificial Sweeteners**
- 03 **Gluten-free, Non-GMO, Keto, Paleo, Vegan, Kosher, diabetic**
- 04 **Sustainability  
Zero Single-use Plastic Bottles**
- 05 **Simple. Clean. Delicious**

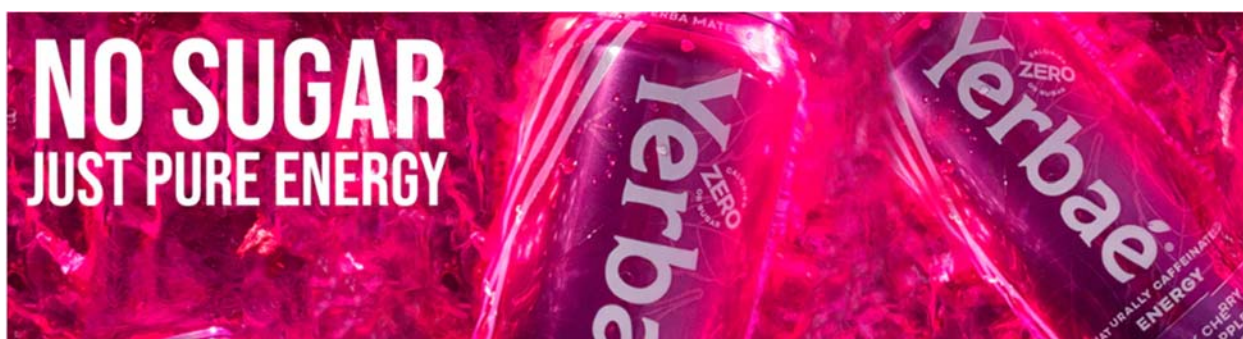
To support those 5 key pillars, Yerbaé has undertaken significant marketing efforts aimed at building brand awareness, including digital, social media, sponsorships, TV, and podcasts. Yerbaé also undertakes various promotions at the retail level such as display activity, coupons and other in-store incentives and sampling.

The energy drink market is expected to experience significant growth through 2031, as reported by Research and Markets in 2022. The North American market is currently dominated by two legacy brands that share about 82% of the market, as reported by Information Resources, Inc. in 2021. However, emerging brands like Yerbaé have started to erode that market share lead with new products aimed at solving the industry's biggest problem: its ingredients list.

Yerbaé's consumers are estimated to be 56% male and 44% female with the average age range of 24 to 45 years of age. Yerbaé's consumers are engaged in active lifestyles and are looking for healthier energy drink alternatives for their mind and body.

**Marketing**

Yerbaé has undertaken significant marketing efforts aimed at building sales and brand awareness, including digital, social media, sponsorships, TV, and podcasts. Yerbaé also undertakes various promotions at the retail level such as display activity, coupons, and other in-store incentives.



## Distribution Channels

Since the initial product launch in 2017, Yerbaé has sold over 31 million cans of Yerbaé. Yerbaé's line of products are currently available in over 14,000 retail locations in the US marketplace. Yerbaé sells across many retail segments that include wholesale club stores, convenience stores, drug stores, grocery stores, natural food stores, mass merchants, food services, and direct to consumer, as well as health clubs, gyms, Yoga Studios, and quick serve restaurants.

Yerbaé uses four main distribution channels to deliver its products to retailers and consumers in the United States:

1. **Broadline Distribution** – *This distribution channel consists of retailers that use third party warehouse distribution centers for delivery to their retail outlets such as Vistar, Kehe, United Natural Foods, Inc., and others.*
2. **DSD (Direct Store Delivery)** – *This distribution channel comprises of local distributors who service nationally-recognized brands, or other independent distribution networks that deliver directly to retail stores and merchandise the products on Yerbaé's behalf.*
3. **Direct Distribution** – *Yerbaé sells its products directly to the retailer and then ships them to retailer owned warehouses for store distribution and merchandising.*
4. **Direct to Consumer (D2C)** – *Yerbaé sells directly to consumers through e-commerce platforms such as Amazon and the Company's own website.*

Further information regarding the business of Yerbaé or its operations can be found in the Information Circular and the other materials incorporated by reference herein. See "*Documents Incorporated by Reference*" for more information.

## Select Recent Developments

### **The Transaction**

On May 19, 2022, Kona Bay Technologies Inc. (following Closing renamed to "Yerbaé Brands Corp.") ("**Kona Bay**") entered into an arrangement agreement and plan of merger dated May 19, 2022 (the "**Arrangement Agreement**") with Yerbaé USA, Kona Bay Technologies (Delaware) Inc. ("**Merger Sub**"), a company incorporated under the DGCL for the purposes of the Transaction, FinCo, a company incorporated under the BCBCA for the purposes of the Transaction, Todd Gibson and Karrie Gibson, pursuant to which Kona Bay proposed to acquire all of the issued and outstanding securities of Yerbaé USA from the securityholders of Yerbaé USA prior to the Closing (collectively, the "**Original Yerbaé Securityholders**"). The Transaction was subject to the approval of the TSXV and constituted a reverse takeover of Kona Bay by Yerbaé USA as defined in TSXV Policy 5.2 – *Change of Business and Reverse Takeovers*. The TSXV deemed the Transaction a non-Arm's Length Transaction and, in connection with the announcement of the Transaction, trading in the Common Shares were halted on May 20, 2022 and remained halted until the Closing.

### **Arrangement Agreement**

Pursuant to the terms of the Arrangement Agreement, Kona Bay proposed to acquire all of the issued and outstanding securities of Yerbaé USA from the Original Yerbaé Securityholders in exchange for the right to receive Common Shares at an exchange ratio of one post-Consolidation Common Share for each one share of common stock (each, an "**Yerbaé USA Share**") of Yerbaé USA prior to the Closing. Accordingly, the Transaction was to be completed by way of a reverse triangular merger conducted pursuant to: (i) the provisions of DGCL in which Merger Sub, a newly incorporated wholly-owned Subsidiary of Kona Bay incorporated for the purpose of the Transaction, was to merge with and into Yerbaé USA; and (ii) the arrangement under Part 9, Division 5 of the BCBCA as approved by the Supreme Court of British Columbia in the Final Order, which also resulted in the Amalgamation. the Arrangement was to be conducted pursuant to the BCBCA.

### ***The Closing of the Transaction***

The Transaction was completed by way of a reverse triangular merger on February 8, 2023, conducted pursuant to (i) the provisions of the DGCL in which Merger Sub merged with and into Yerbaé US, and (ii) a plan of arrangement conducted pursuant to the provisions of the BCBCA, which also resulted in the amalgamation of the Company (formerly, Kona Bay Technologies Inc.) with FinCo (the “**Amalgamation**”).

In connection with closing of the Transaction, the Company consolidated its outstanding Common Shares on the basis of 5.8 pre-consolidation Common Shares for every one post-consolidation Common Bay Share prior to the completion of the Amalgamation (the “**Consolidation**”).

In connection with the Closing, FinCo also closed a non-brokered private placement of 2,015,163 FinCo subscription receipts (each, a “**FinCo Subscription Receipt**”) at a price of US\$1.23 per FinCo Subscription Receipt for gross aggregate proceeds of US\$2,478,650. Immediately prior to the Amalgamation, each FinCo Subscription Receipt was automatically converted, without payment of any additional consideration, into one common share (each, a “**FinCo Share**”) in the capital of FinCo and one common share purchase warrant (each, a “**FinCo Warrant**”) of FinCo. In connection with the Closing, all FinCo Shares and FinCo Warrants were exchanged for post-Consolidation Common Shares and post-Consolidation Warrants, with each replacement Warrant entitling the holder to acquire one post-Consolidation Common Share at a price of US\$1.50 per post-Consolidation Common Share until 5:00 p.m. (Vancouver time) for a period of eighteen (18) months, subject to an acceleration right whereby, in the event that the Common Shares have a closing price on a recognized North American securities exchange of US\$2.50 or greater per post-Consolidation Common Share for a period of thirty (30) consecutive trading days, Yerbaé may accelerate the expiry date of the Warrants by giving notice to the holder thereof by disseminating a news release advising of the acceleration of the expiry date of the Warrants and, in such case, the Warrants will expire on the thirtieth (30<sup>th</sup>) day after such notice.

At the time of Closing, an aggregate of 54,493,953 post-Consolidation Common Shares of the Company were issued and outstanding, of which: 35,848,290 post-Consolidation Common Shares were issued to the Original Yerbaé Securityholders (inclusive of an aggregate of 5,631,276 post-Consolidation Common Shares issued to former holders of an aggregate of US\$4,500,000 in convertible promissory notes of Yerbaé USA converted immediately prior to Closing), 8,000,000 post-Consolidation performance-based Common Shares (each, a “**Performance Share**”) were issued to certain individuals, as to 3,000,000 post-Consolidation Performance Shares to Klutch Financial Corp., a former Insider of and arm’s length party to Yerbaé and Yerbaé USA, and 2,500,000 post-Consolidation Performance Shares to each of Todd Gibson and Karrie Gibson, which Performance Shares are to be held in escrow and released upon the completion of certain performance-based incentives related to the listing of the Common Shares on the TSXV, future equity financings, and certain trailing gross revenue targets, 3,153,746 post-Consolidation Common Shares were issued to the former holders of common share purchase warrants of Kona Bay exercised in connection with the Closing, and 2,015,163 post-Consolidation Common Shares were issued to former holders of the FinCo Subscription Receipts.

In addition, the 1,087,752 options to purchase Yerbaé USA Shares which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of 1,087,752 post-Consolidation Options to purchase Common Shares, 7,385,740 warrants to purchase Yerbaé USA Shares which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of post-Consolidation 7,385,740 replacement Warrants, and 2,015,163 FinCo Warrants which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of post-Consolidation 2,015,163 replacement Warrants.

In connection with the Closing, the parties paid customary advisory fees to Roth Canada, ULC, an eligible arm’s length third party finder, in consideration for the Roth Canada, ULC’s services in facilitating the identification, negotiation and implementation of the Transaction which consisted of the issuance of 507,662 post-Consolidation Common Shares and 308,823 post-Consolidation Common Share purchase warrants (each, a “**Roth Canada Warrant**”), with each Roth Canada Warrant exercisable into one Common Share at an exercise price of US1.37 until February 8, 2025. Roth Canada, ULC also received a cash payment of US\$200,000.

The combined company resulting from the completion of the Transaction was renamed “Yerbaé Brands Corp.” and the Common Shares, following receipt of the Final Exchange Bulletin, began trading on the TSXV under the trading symbol “YERB.U” on February 13, 2023 as a Tier 2 industrial issuer. At the time of Closing, Yerbaé had an aggregate of 54,493,953 Common Shares, 1,087,752 Options and 4,202,014 Warrants outstanding on a post-Consolidation basis.

### ***Convertible Debenture Financing***

On April 3, 2023, Yerbaé announced the Brokered Debenture Offering of up to 3,000 Debenture Units at a price of US\$1,000 per Debenture Unit for aggregate gross proceeds of up to US\$3,000,000. The First Debenture Tranche of closed on April 13, 2023 and consisted of 1,650 Debenture Units for gross proceeds of US\$1,650,000. Following the closing of the First Tranche, Yerbaé later announced on April, 17, 2023 the upsizing of the offering to consist of up to 4,000 Debenture Units for aggregate gross proceeds of up to US\$4,000,000. Yerbaé closed the Second Debenture Tranche on May 5, 2023, pursuant to which it issued 2,152 Debenture Units for gross proceeds of US\$2,152,000, and for aggregate gross proceeds, together with the First Debenture Tranche, of US\$3,802,000.

Each Debenture Unit consisted of: (i) one (1) \$1,000 principal amount in unsecured convertible debenture (each, a “**Debenture**”); and (ii) 714 Warrants. The Debentures mature on April 30, 2025 (the “**Maturity Date**”) and bear interest at a rate of 6.0% per annum, payable on the earlier of the Maturity Date or the date of conversion of the Debentures. The interest will be payable in Common Shares to be determined at the Market Price (as that term is defined in the Policies of the TSXV). The principal amount of the Debentures will be convertible at the holder’s option into Common Shares at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption in the case of a change of control, at a conversion price of US\$1.40 per Common Share, subject to adjustment in certain customary events. Each Warrant entitles the holder thereof to acquire one Common Share at a price per Common Share of US\$1.70 at any time prior to the Maturity Date, subject to an acceleration right whereby, if, in the event the Common Shares have a daily volume weighted average trading price on the TSXV (or such other recognized North American securities exchange) of US\$3.00 or greater per Common Share for any ten (10) consecutive trading day period at any time after the date that is four (4) months following the issuance of the Warrants, Yerbaé may accelerate the expiry of the Warrants by giving notice to the holders thereof by disseminating a news release advising of the acceleration) and, in such case, the Warrants will be deemed to have expired on the day which is thirty (30) days after the date of such notice.

### ***Distribution Expansions***

On April 14, 2023, Yerbaé announced an expansion in distribution with the largest club store Chain in the United States.

On April 24, 2023, Yerbaé announced an expansion in distribution with Compass Group North America to 10,000 locations across 24 states.

On May 15, 2023, Yerbaé announced an expansion with Hannaford Supermarkets to 185 stores across the Northeast United States.

On November 17, 2023, Yerbaé announced an expansion with CL Vending to bring its full range of 16oz flavors to 152 markets across Northwest Indiana and Illinois.

On November 20, 2023, Yerbaé announced an expansion of its partnership with Sprouts Farmers Markets (“**Sprouts**”), a distinguished national leader in natural grocery, which will introduced Yerbaé’s products and amplifying its visibility and accessibility to consumers across 250 new Sprouts locations.

On November 28, 2023, Yerbaé announced a new national partnership with Happy Valley United (“**HVU**”), the Name, Image and Likeness collective supporting all 31 varsity sports and more than 800 Penn State student-athletes. In connection the partnership, Yerbaé announced an exclusive plant-based energy drink called Happy Valley Blue Razz along with an iconic custom can that celebrates the spirit of the Happy Valley community and supports the HVU mission.

On November 30, 2023, Yerbaé announced its strategic partnership with Grey Eagle Distributors (“**Grey Eagle**”) and expanded distribution into the State of Missouri.

### ***Oxford Bank Debt Facility***

On May 23, 2023, Yerbaé secured the Debt Facility; an accounts receivable and inventory line of credit of US\$2,500,000 from Oxford Bank, a Michigan banking corporation, through its Delaware subsidiary Yerbaé LLC. The Debt Facility replaced the Company’s prior credit agreement and is an upgrade to bank debt, secured to help the Company fuel its growth and support its ongoing operations.

### ***Business Consulting and Corporate Strategy Agreements***

On May 31, 2023, Yerbaé announced the engagement of FORCE and Monied Media for the provision of certain business development and corporate strategies services.

Under the terms of the consulting agreement with FORCE (the “**FORCE Family Agreement**”), as amended on June 19, 2023, FORCE agreed to provide certain business development and corporate strategies services to enhance Yerbaé’s growth and market positioning. The engagement was set for a period of six (6) months, which commenced on May 15, 2023 and ends on November 15, 2023 (the “**Term**”). In consideration for the services to be provided by FORCE, the Company agreed to pay FORCE an aggregate consulting fee of US\$150,000 payable in Common Shares as to US\$25,000 in Common Shares on the date that is one (1) month from the date of execution of the FORCE Family Agreement at a deemed price per Common Share equal to the prevailing market price of the Common Shares on the date of such payment and as to US\$125,000 in Common Shares on the date of expiration of the Term at a deemed price per Common Share equal to the prevailing market price of the Common Shares on the date of such payment. Yerbaé issued an aggregate of 11,363 Common Shares to FORCE at a deemed price of US\$2.20 per Common Share in satisfaction of the initial US\$25,000 payment owing under the FORCE Family Agreement.

Pursuant to the terms of the consulting agreement with Monied Media dated May 18, 2023, in consideration for the services to be provided by Monied Media, Yerbaé agreed to issue 100,000 RSUs and Options to purchase an aggregate of 100,000 Common Shares. Each RSU represents the right to receive, once vested twelve (12) months from the date of grant in accordance with Yerbaé’s Equity Incentive Plan, one Common Share. The Options are exercisable into one Common Share at an exercise price or US\$1.55 per Common Share for a period of seven (7) years and all vested upon the date of grant.

### ***Investor Relations Engagements***

On June 23, 2023, Yerbaé announced the engagement of Atrium for the provision of certain market research and investor relations services. Under the terms of the agreement with Atrium (the “**Atrium Agreement**”), Atrium agreed to provide certain market research and investor relations services for a period of six (6) months, which services commenced on April 11, 2023 and ended on October 11, 2023. In consideration for services to be provided by Atrium, the Company agreed to pay Atrium a consulting fee of CAD\$3,000 per month during the term of the arrangement.

Further to the Company’s news release dated February 14, 2023, Yerbaé announced on June 23, 2023 that it terminated its consulting arrangement with Native Ads in February of 2023. During the term of the engagement, which was to be a comprehensive digital advertising program, the parties agreed that Yerbae would withhold payment of US\$10,000 of the total US\$100,000 in fees payable over the twelve (12) month term of the engagement, leaving an aggregate amount to be paid to Native Ads of US\$90,000. In connection with the termination of the agreement, Yerbae and Native Ads terminated the agreement and, in connection therewith, Native Ads agreed to refund Yerbae some US\$68,000 of the US\$90,000 it had previously pre-paid for its services.

### ***DTC Eligibility***

On June 26, 2023, Yerbaé achieved OTCQX® Best Market Qualification and attained DTC eligibility.

### ***Change of Chief Financial Officer***

On June 30, 2023, William Finn resigned as the CFO of Yerbaé and, in his place, the appointed Nick Cranny as the Interim CFO.

### ***Celebrity Financing***

On July 17, 2023, Yerbaé announced the Celebrity Financing; a non-brokered private placement offering of Celebrity Units at a price of US\$1.83 per Celebrity Unit for aggregate gross proceeds of up to US\$5,000,000. The first tranche of the offering closed on August 21, 2023 and consisted of 2,219,629 Celebrity Units for aggregate gross proceeds of US\$4,061,921.07. Yerbaé closed the second and final tranche on August 30, 2023, raising an additional US\$412,352 via the issuance of 225,329 Celebrity Units for aggregate gross proceeds together with the first tranche of US\$4,474,273.

Each Celebrity Unit consisted of one Common Share and one Common Share purchase warrant (each, a “**Celebrity Warrant**”), with each Celebrity Warrant entitling the holder thereof to acquire one Common Share at a price per Common Share of US\$2.15 for a period of twenty-four (24) months from the date of issuance.

### ***Yerbaé Advisory Board, Sports and Entertainment***

On August 23, 2023, Yerbaé announced its partnership with Richmond Flowers III, a former NFL player and coach and the visionary founder of QB Collective and Collective Sports Advisors – football’s premier identification, development and representation ecosystem. This alliance seeks to revolutionize the industry by educating elite athletes and coaches on upgrading from conventional energy drinks available in the marketplace.



On September 6, 2023, Yerbaé announced the formation of its Yerbaé Advisory Board, Sports and Entertainment.

- **Richmond Flowers III** – Founder of QB Collective and Collective Sports Advisors, former NFL player and coach, and Chair of the Yerbaé Advisory Board, Sports and Entertainment;
- **Kyle Shanahan** – Head Coach, San Francisco 49ers;
- **Annie Thorisdottir** – Professional CrossFit Champion and Two-Time “Fittest Woman in the World”;
- **Lincoln Riley** – Head Coach, University of Southern California “USC Trojans”;
- **Ejiro Evero** – Defensive Coordinator, Carolina Panthers; and
- **Ben Johnson** – Offensive Coordinator, Detroit Lions.

Members of the Yerbaé Advisory Board, Sports and Entertainment provide guidance and support to fuel Yerbaé's growth and introduce Yerbaé to new groups of consumers, focusing their input primarily on Yerbaé's strategic decisions, brand positioning, marketing campaigns and product innovation.

On September 26, 2023, Yerbaé announced that Kellyn Acosta, midfielder for the Los Angeles Football Club, joined its Yerbaé Advisory Board, Sports and Entertainment.

### ***Special Warrant Financing***

On November 15, 2023, Yerbaé announced the Special Warrant Financing of up to US\$5,000,000 through the issuance of Special Warrants at a price to be determined in the context of the market. On November 20, 2023, the Company priced the Special Warrant Financing at US\$1.50 per Special Warrant. The Special Warrant Financing closed on December 7, 2023 and consisted of 1,003,468 Special Warrants, priced at US\$1.50 per Special Warrant, for total gross aggregate proceeds of US\$1,505,202.

Each Special Warrant is exercisable by the holder for one unit of the Company (each, an **"Underlying Unit"**), for no additional consideration. Each Underlying Unit will be comprised of one Common Share and one Warrant. Each Warrant entitles the holder to acquire one Common Share at an exercise price of US\$1.75 for 24 months following the date of closing (the **"Closing Date"**). The Special Warrants will be automatically exercised on the date (the **"Qualification Date"**) that is the earlier of: (a) the date that is four months and a day following the Closing Date, and (b) the third business day after (i) a receipt is issued for a final short form prospectus by the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario, (collectively, the **"Qualifying Jurisdictions"**); or (ii) a receipt is issued for a final base shelf prospectus by the securities regulatory authorities in each of the Qualifying Jurisdictions and a prospectus supplement is filed in each of the Qualifying Jurisdictions, each qualifying the distribution of the Underlying Securities. The Company shall use commercially reasonable efforts to (i) obtain the receipt for a final short form prospectus; or (ii) obtain the receipt for a final base shelf prospectus and file a prospectus supplement, each qualifying the distribution of the Underlying Securities in each of the Qualifying Jurisdictions by January 31, 2024 (the **"Penalty Date"**). If the Company fails to qualify the distribution of the Underlying Securities in the Qualifying Jurisdictions by the Penalty Date, the holders of Special Warrants will be entitled to receive 1.1 Underlying Units upon exercise of each Special Warrant without further payment on the part of the holder.

In connection with the closing of the Special Warrant Financing, the Company paid Raymond James Ltd. and Echelon Wealth Partners Inc., each as co-lead agents and joint bookrunners, and Beacon Securities Limited and Roth Capital Partners, LLC (collectively, the **"Agents"**) cash fees of US\$15,055.43 and issued to the Agents an aggregate of 31,622 Common Shares (each, a **"Compensation Share"**) at a deemed price per Compensation Share of US\$1.50 and an aggregate of 41,659 Common Share purchase warrants (each, a **"Compensation Warrant"**), with each Compensation Warrant entitling the Agents to purchase an equal number of Common Shares at an exercise price of US\$1.50 for a term of 36 months from the Closing Date.

## **RISK FACTORS**

**An investment in the securities of Yerbaé is speculative and involves a high degree of risk. In addition to the other information included or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, you should carefully consider the risks and uncertainties described in the documents incorporated by reference in this Prospectus and any applicable Prospectus Supplement, together with all of the other information contained in this Prospectus, before purchasing the Company's securities. The occurrence of any of such risks could have a material adverse effect on our business, financial condition, results of operations and future prospects. In these circumstances, the market price of our securities, including the Common Shares, could decline, and you may lose all or part of your investment. The risks described herein are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations. Investors should also refer to the other information set forth or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, including our consolidated financial statements and related notes. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the**



forward-looking statements as a result of a number of factors, including the risks described herein. See *“Cautionary Note Regarding Forward-Looking and Other Statements”* for more information.

In particular, you should carefully consider the risks described under the Company’s Information Circular under the heading *“Risk Factors”*, and other publicly filed documents which are incorporated herein by reference, as well as the risk factors described under the heading *“Risk Factors”* in any applicable prospectus supplement. See *“Documents Incorporated by Reference”* for more information.

## **RISKS RELATED TO THE OFFERING OF SECURITIES**

### **An Investment in the Securities is Speculative**

An investment in the Securities and Yerbaé’s prospects generally, are speculative due to the risky nature of its business and the present state of its development. Investors may lose their entire investment and should carefully consider the risk factors described below and under the heading *“Risk Factors”* in the Annual Information Form.

### **Market price of Common Shares**

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Yerbaé’s control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to Yerbaé’s operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts’ estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Yerbaé or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets have historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if Yerbaé’s operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, Yerbaé’s operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

### **Additional Financing**

The continued development of Yerbaé will require additional financing. There is no guarantee that Yerbaé will be able to achieve its business objectives, including with respect to the expansion of its product offerings, completing future acquisitions, and entering into new markets. Yerbaé intends to fund its business objectives by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution.

### **Absence of a public market for some of the Securities**

There is no public market for the Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units and, unless otherwise specified in the applicable Prospectus Supplement, Yerbaé does not intend to apply for listing of the Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units on any securities exchanges. If the Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units are traded after their initial issuance, they may trade at a discount from their



initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and the Company's financial condition. There can be no assurance as to the liquidity of the trading market for the Preferred Shares, Debt Securities, Warrants, Subscription Receipts, or Units, or that a trading market for these Securities will develop at all.

#### **Future sales of issuance of debt or equity Securities**

Given Yerbaé's plans and expectations that additional capital and personnel will be needed, the Company may need to issue additional debt or equity securities. Yerbaé cannot predict the size of future sales and issuances of debt or equity Securities or the effect, if any, that future sales and issuances of debt or equity Securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity Securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity Securities, investors will suffer dilution of their voting power and may experience dilution in Yerbaé's earnings per share.

#### **Discretion over use of proceeds**

Yerbaé intends to allocate the net proceeds it will receive from an offering as described under "*Use of Proceeds*" in this Prospectus and the applicable Prospectus Supplement. However, the Company will have broad discretion over the use of the net proceeds from an offering by Yerbaé of the Securities. Because of the number and variability of factors that will determine Yerbaé's use of such proceeds, the Company's ultimate use might vary substantially from its planned use. The failure by Yerbaé to apply these funds effectively could have a material adverse effect on the business of Yerbaé. Investors may not agree with how Yerbaé allocates or spends the proceeds from an offering of the Securities. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the Securities, including the market value of the Common Shares, and that may increase its losses.

#### **Liquidity**

Shareholders may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, and that Yerbaé will continue to meet the listing requirements of the TSXV, OTCQX® or other public listing exchanges.

#### **Unsecured Debt Securities**

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct unsecured obligations of Yerbaé. As a result, in the event that the Company defaults in payment of the Debt Securities, investors in the Debt Securities could receive no compensation and lose all or some of their investment.

In addition, the Debt Securities could be senior or subordinated indebtedness of Yerbaé as described in the applicable Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and ratably with all other unsecured indebtedness of Yerbaé from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable Prospectus Supplement, and they will rank equally and ratably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable prospectus supplement. Yerbaé reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated Debt Securities is subordinated to any other series of subordinated Debt Securities. If the Debt Securities are subordinated indebtedness and Yerbaé defaults in payment of its obligations, investors in the Debt Securities will be paid following payment of senior indebtedness or secured obligations. An investor could lose all or some of their investment.

### **Effect of changes in interest rates on Debt Securities**

Prevailing interest rates will affect the market price or value of any Debt Securities. The market price or value of any Debt Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

### **Effect of fluctuations in foreign currency markets on Debt Securities**

Debt Securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable Prospectus Supplement.

### **Trading price of Common Shares and volatility**

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced large fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur with respect to the Common Shares. The trading price of the Common Shares may be subject to large fluctuations and may decline below the price at which an investor acquired their Common Shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within Yerbaé's control nor reflect the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their Securities at or above their acquisition cost.

### **History of negative cash flows**

Yerbaé has a history of negative cash flow from operating activities. To the extent that the Company has negative cash flow in future periods, Yerbaé may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to Yerbaé as those previously obtained, or at all.

## **USE OF PROCEEDS**

The use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement relating to a specific offering and sale of Securities. Among other potential uses, Yerbaé may use the net proceeds from the sale of Securities for operational costs relating to its business and for general corporate and working capital purposes.

The management of Yerbaé will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Company's actual use of the net proceeds will vary depending on its operating and capital needs from time to time.

We may also, from time to time, decide to issue Securities otherwise than pursuant to a Prospectus Supplement to this Prospectus. All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of such Securities, unless otherwise stated in the applicable Prospectus Supplement.

For the nine-month period ended September 30, 2023, Yerbaé recorded losses, negative cash from operations and an accumulated deficit. Yerbaé's cash flow from operations may be affected in the future by the investment it is making to continue to develop its products and services. In addition to other uses of net proceeds to be specified in a Prospectus Supplement, to the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There

can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

Yerbaé USA, the operating company of Yerbaé, had negative cash flow from operating activities of US\$6,058,544 for the year ended December 31, 2022. The Company had negative cash flow from operating activities of US\$9,899,094 for the nine-month period ended September 30, 2023. In addition to other uses of net proceeds described herein and to be specified in a Prospectus Supplement, the net proceeds from sales of securities (including Securities) may also be used to fund anticipated negative cash flow from operating activities in future periods.

## CONSOLIDATED CAPITALIZATION

Except as disclosed below, since September 30, 2023, the date of our financial statements for the most recently completed financial period, there have been no material changes in our consolidated share or debt capital.

### The Transaction

On February 8, 2023, the Company closed the Transaction. In connection therewith, an aggregate of 54,493,953 Common Shares of the Company were issued and outstanding, of which: 35,848,290 Common Shares were issued to the Original Yerbaé Securityholders, 8,000,000 Performance Shares were issued to certain individuals, 3,153,746 Common Shares were issued to the former holders of common share purchase warrants of Kona Bay exercised in connection with the Closing, and 2,015,163 post-Consolidation Common Shares were issued to former holders of the FinCo Subscription Receipts. The Company also issued Roth Canada, ULC, an eligible arm's length third party finder, in consideration for the Roth Canada, ULC's services in facilitating the identification, negotiation and implementation of the Transaction 507,662 Common Shares and 507,662 Roth Canada Warrants, with each Roth Canada Warrant exercisable into one Common Share at an exercise price of US1.37 until February 8, 2025. Roth Canada, ULC also received a cash payment of US\$200,000.

In addition, the 1,087,752 options to purchase Yerbaé USA Shares which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of 1,087,752 post-Consolidation Options to purchase Common Shares, 7,385,740 warrants to purchase Yerbaé USA Shares which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of post-Consolidation 7,385,740 replacement Warrants, and 2,015,163 FinCo Warrants which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of post-Consolidation 2,015,163 replacement Warrants.

At the time of Closing, Yerbaé had an aggregate of 54,493,953 Common Shares, 1,087,752 Options and 4,202,014 Warrants outstanding on a post-Consolidation basis. See "*About the Company – Summary Description of the Business – The Transaction*" and Yerbaé's February 17, 2023 material change report with respect to the Closing of the Transaction for more information.

### Convertible Debenture Financing

On April 13, 2023, Yerbaé closed the First Tranche of its brokered Debenture Unit offering which consisted of 1,650 Debenture Units for gross proceeds of US\$1,650,000. On May 5, 2023, Yerbaé closed the Second Tranche pursuant to which it issued 2,152 Debenture Units for gross proceeds of US\$2,152,000, and for aggregate gross proceeds, together with the closing of the First Tranche, of US\$3,802,000.

Each Debenture Unit consisted of: (i) one (1) Debenture in the principal amount of \$1,000; and (ii) 714 Warrants. The Debentures mature on the Maturity Date, April 30, 2025, and bear interest at a rate of 6.0% per annum, payable on the earlier of the Maturity Date or the date of conversion of the Debentures. The interest will be payable in Common Shares to be determined at the Market Price (as that term is defined in the Policies of the TSXV). The principal amount of the Debentures will be convertible at the holder's option into Common Shares at any time prior

to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption in the case of a change of control, at a conversion price of US\$1.40 per Common Share, subject to adjustment in certain customary events. Each Warrant entitles the holder thereof to acquire one Common Share at a price per Common Share of US\$1.70 at any time prior to the Maturity Date, subject to an acceleration right whereby, if, in the event the Common Shares have a daily volume weighted average trading price on the TSXV (or such other recognized North American securities exchange) of US\$3.00 or greater per Common Share for any ten (10) consecutive trading day period at any time after the date that is four (4) months following the issuance of the Warrants, Yerbaé may accelerate the expiry of the Warrants by giving notice to the holders thereof by disseminating a news release advising of the acceleration) and, in such case, the Warrants will be deemed to have expired on the day which is thirty (30) days after the date of such notice.

See *“About the Company – Summary Description of the Business – Convertible Debenture Financing”* and Yerbaé’s April 19, 2023 and September 26, 2023 material change reports with respect to the closings of the First Tranche and Second Tranche of its brokered Debenture Unit offering for more information.

### **Celebrity Financing**

On August 18, 2023, Yerbaé closed the initial tranche of the Celebrity Financing, which consisted of 2,219,629 Celebrity Units for aggregate gross proceeds of US\$4,061,921.07. On August 31, 2023, Yerbaé closed the second and final tranche of the Celebrity Financing, raising an additional US\$412,352 via the issuance of 225,329 Celebrity Units for aggregate gross proceeds together with the first tranche of US\$4,474,273.

Each Celebrity Unit consisted of one Common Share and one Celebrity Warrant, with each Celebrity Warrant entitling the holder thereof to acquire one Common Share at a price per Common Share of US\$2.15 for a period of twenty-four (24) months from the date of issuance.

### **Other Issuances**

On February 27, 2023, Yerbaé issued 116,377 Common Shares upon the exercise of 116,377 Warrants.

On March 10, 2023, Yerbaé granted an aggregate of 1,460,395 Options, 808,041 RSUs and 783,693 PSUs. Each Option, once vested, is exercisable into one Common Share at a price of US\$1.16 per Common Share for a period of 7 years. Each RSU represents the right to receive, once vested twelve (12) months from the date of grant, in accordance with corresponding the RSU award agreements, one Common Share. Each PSU represents the right to receive, once vested, in accordance with the correspondence PSU award agreements and achievement of the performance criteria, one Common Share.

On May 31, 2023, Yerbaé granted an aggregate of 135,714 RSUs, with each RSU representing the right to receive, once vested twelve (12) months from the date of grant, in accordance with corresponding the RSU award agreements, one Common Share. Yerbaé also granted 100,000 Options, with each Option exercisable into one Common Share at an exercise price of US\$1.55 per Common Share for a period of seven (7) years and all vested upon the date of grant. As of the date of this Prospectus, an aggregate of 97,826 of the PSUs have been cancelled in accordance with their terms.

On June 23, 2023, Yerbaé granted an aggregate of 13,587 Options to purchase Common Shares, with each Option, once vested, being exercisable into one Common Share at a price of US\$1.49 per Common Share for a period of 7 years.

On July 21, 2023, Yerbaé issued 11,363 Common Shares at a deemed price of US\$2.20 per Common Share to FORCE pursuant to the terms of the FORCE Family Agreement.

On July 21, 2023, Yerbaé issued an aggregate of 421,052 Common Shares upon the exercise of 421,052 Warrants.

On August 4, 2023, Yerbaé issued 673,916 Common Shares upon the exercise of 673,916 Warrants.

On September 12, 2023, Yerbaé issued 142,800 Common Shares upon the conversion of outstanding Debentures and issued 2,888 Common Shares in connection with the conversion of accrued interest thereon.

On September 18, 2023, Yerbaé granted an aggregate of 175,000 Options and 248,756 PSUs. Each Option, once vested, is exercisable into one Common Share at a price of US\$2.01 per Common Share for a period of 7 years. Each PSU representing the right to receive, once vested, in accordance with the correspondence PSU award agreements and achievement of the performance criteria, one Common Share.

On September 20, 2023, Yerbaé issued 35,700 Common Shares upon the conversion of outstanding Debentures and issued 657 Common Shares in connection with the conversion of accrued interest thereon.

On September 27, 2023, Yerbaé issued 20,000 Common Shares upon the exercise of 20,000 Warrants.

On September 29, 2023, Yerbaé issued 39,270 Common Shares upon the conversion of outstanding Debentures and issued 808 Common Shares in connection with the conversion of accrued interest thereon.

On October 3, 2023, Yerbaé issued 67,830 Common Shares upon the conversion of outstanding Debentures and issued 1,421 Common Shares in connection with the conversion of accrued interest thereon.

On October 25, 2023, Yerbaé issued 73,180 Common Shares upon the conversion of outstanding Debentures and in connection with the conversion of accrued interest thereon.

On October 31, 2023, Yerbaé granted an aggregate of 11,905 Options to purchase Common Shares, with each Option, once vested, being exercisable into one Common Share at a price of US\$1.43 per Common Share for a period of 7 years.

On November 8, 2023, Yerbaé issued 17,850 Common Shares upon the conversion of outstanding Debentures and issued 496 Common Shares in connection with the conversion of accrued interest thereon.

On November 16, 2023, Yerbaé issued 159,496 Common Shares upon the exercise of 159,496 Warrants.

On November 24, 2023, Yerbaé issued 66,489 Common Shares at a deemed price of US\$1.88 per Common Share to FORCE pursuant to the terms of the FORCE Family Agreement.

On December 29, 2023, Yerbaé granted, effective January 1, 2024, an aggregate of 531,250 Options, 1,666,665 RSUs and 1,002,775 PSUs. Each Option, once vested, is exercisable into one Common Share at a price of US\$0.96 per Common Share for a period of 7 years. Each RSU representing the right to receive, once vested twelve (12) months from the date of grant, in accordance with corresponding the RSU award agreements, one Common Share. Each PSU representing the right to receive, once vested, in accordance with the correspondence PSU award agreements and achievement of the performance criteria, one Common Share.

### **Special Warrant Financing**

On December 7, 2023, Yerbaé closed the Special Warrant Financing which consisted of 1,003,468 Special Warrants, priced at US\$1.50 per Special Warrant, for total gross aggregate proceeds of US\$1,505,202.

Each Special Warrant is exercisable by the holder for one Underlying Unit, for no additional consideration. Each Underlying Unit will be comprised of one Common Share and one Warrant. Each Warrant entitles the holder to acquire one Common Share at an exercise price of US\$1.75 until the Closing Date. The Special Warrants will be automatically exercised on the Qualification Date. In connection therewith, the Company shall use commercially reasonable efforts to (i) obtain the receipt for a final short form prospectus; or (ii) obtain the receipt for a final base shelf prospectus and file a prospectus supplement, each qualifying the distribution of the Underlying Securities in each of the Qualifying Jurisdictions by the Penalty Date. If the Company fails to qualify the distribution of the Underlying Securities in the Qualifying Jurisdictions by the Penalty Date, the holders of Special Warrants will be

entitled to receive 1.1 Underlying Units upon exercise of each Special Warrant without further payment on the part of the holder.

In connection with the closing of the Special Warrant Financing, the Company paid Agents cash fees of US\$15,055.43 and issued to the Agents an aggregate of 31,622 Compensation Shares at a deemed price per Compensation Share of US\$1.50 and an aggregate of 41,659 Compensation Warrants, with each Compensation Warrant entitling the Agents to purchase an equal number of Common Shares at an exercise price of US\$1.50 for a term of 36 months from the Closing Date.

See *“About the Company – Summary Description of the Business – Special Warrant Financing”* and Yerbaé’s December 12, 2023 material change report with respect to the closing of the Special Warrant Financing for more information.

As of the date of this Prospectus, the Company had 58,822,126 Common Shares issued and outstanding, 13,759,948 Warrants outstanding, 2,983,794 Options outstanding, 2,610,420 RSUs outstanding, 1,937,398 PSUs outstanding, and US\$3,277,000 in principal amount of Debentures outstanding.

### **PRIOR SALES**

Information in respect of prior sales of the Common Shares or other Securities distributed under this Prospectus and for securities that are convertible or exchangeable into the Common Shares or such other Securities within the previous 12-month period will be provided, as required, in a Prospectus Supplement with respect to the issuance of the Common Shares or other Securities pursuant to such Prospectus Supplement.

### **TRADING PRICE AND VOLUME**

The Common Shares are listed for trading on the TSXV under the trading symbol “YERB.U” and OTCQX® Best Market under the symbol “YERBF”. Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement.

### **EARNINGS COVERAGE**

The applicable Prospectus Supplement will include, as required, earnings coverage ratios with respect to the issuance of such Securities pursuant to such Prospectus Supplement.

### **DESCRIPTION OF SECURITIES**

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

### **GENERAL**

Yerbaé’s authorized share structure consists of an unlimited number of Common Shares without par value and 100,000,000 Preferred Shares without par value. As of the date of this Prospectus, a total of 58,822,126 Common Shares are issued and outstanding. The rights, privileges and restrictions on the Common Shares and Preferred Shares are contained in the articles of the Company, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **Common Shares**

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all

meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Yerbaé, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

### **Preferred Shares**

The holders of the Preferred Shares are not entitled to receive notice of or to attend and vote at meetings of the shareholders of the Company. The holders of the Preferred Shares are entitled to priority over the Common Shares and all other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets of the Yerbaé in the event of any liquidation, dissolution or winding up of the Company or other distribution of Yerbaé assets for the purpose of winding up the Company's affairs, whether voluntary or involuntary. The Preferred Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

### **Description of Debt Securities**

The following is a brief summary of certain general terms and provisions of the Debt Securities that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Debt Securities as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Debt Securities, and the extent to which the general terms and provisions described below may apply to such Debt Securities will be described in the applicable Prospectus Supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture (as defined herein). Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Debt Securities may be offered separately or in combination with one or more other Securities. The Company may, from time to time, issue Debt Securities and incur additional indebtedness other than through the issue of Debt Securities pursuant to this Prospectus. Convertible Debt Securities offered under this Prospectus and any Prospectus Supplement may only be convertible into other Securities.

Yerbaé will deliver, along with this Prospectus, an undertaking to the securities regulatory authority in each of the provinces and territories of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Nunavut and Yukon, if any Debt Securities are distributed under this Prospectus and for so long as such Debt Securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1 – *Short Form Prospectus* ("**Form 44-101F1**").

Any Prospectus Supplement offering guaranteed Debt Securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of National Instrument 41-101 – *General Prospectus Requirements*.

The Debt Securities will be issued under one or more indentures (each, a "**Trust Indenture**"), in each case between Yerbaé and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a "**Trustee**").

The applicable Trust Indenture will not limit the aggregate principal amount of Debt Securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that Yerbaé may issue Debt Securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise

indicated in the applicable Prospectus Supplement, the Debt Securities will be unsecured obligations of the Company.

Yerbaé may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for issuance of additional Debt Securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the Debt Securities previously issued and to issue that increased principal amount.

Any Prospectus Supplement for Debt Securities supplementing this Prospectus will contain the specific terms and other information with respect to the Debt Securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the price or prices at which the Debt Securities will be issued;
- the percentage of principal amount at which the Debt Securities will be issued;
- whether payment on the Debt Securities will be senior or subordinated to other liabilities or obligations of the Company;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the Debt Securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the Debt Securities and the portion (if less than the principal amount) of Debt Securities to be payable upon a declaration of acceleration of maturity;
- whether the Debt Securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay the principal, premium, if any, and interest, if any, and the place or places where Debt Securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deducting for Canadian tax purposes with respect to the Debt Securities, and whether and on what terms the Company will have the option to redeem the Debt Securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the Debt Securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the Debt Securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered Debt Securities;
- the currency or currency Units for which Debt Securities may be purchased and the currency or currency Units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the Debt Securities will be made by delivery of Common Shares or other property;
- whether payments on the Debt Securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, any payment of any interest on such Debt Securities or any repayment of the principal owing upon the maturity of such Debt Securities through the issuance of Securities or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;



- whether the Debt Securities will be issued as Global Securities (defined herein) and, if so, the identity of the Depository (defined herein) for the global securities;
- whether the Debt Securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods and the terms and conditions, if any, upon which the Company may redeem the Debt Securities prior to maturity and the price or prices of which, and the currency or currency Units in which, the Debt Securities are payable;
- any events of default or covenants applicable to the Debt Securities;
- any terms under which Debt Securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of Debt Securities have special rights if specified events occur;
- the terms, if any, for any conversion or exchange of the Debt Securities for any other Securities;
- if applicable, any transfer restrictions in respect of Disqualified Holders, as defined in securities laws, or otherwise;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the Debt Securities;
- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- whether the Company will undertake to list the Debt Securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the Debt Securities being offered which do not apply generally to other Debt Securities, or any covenants or events of default generally applicable to the Debt Securities which do not apply to a particular series of the Debt Securities.

Yerbaé reserves the right to include in a Prospectus Supplement specific terms pertaining to the Debt Securities which are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities.

Unless stated otherwise in the applicable Prospectus Supplement, no holder of Debt Securities will have the right to require the Company to repurchase the Debt Securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

Yerbaé may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. The Company may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, Yerbaé will describe certain Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

Unless otherwise indicated in the applicable Prospectus Supplement, the Company may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

Original purchasers of Debt Securities which are convertible into or exchangeable for other securities of Yerbaé will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such Debt Security. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Debt Security and the amount paid upon conversion or exchange, upon

surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the *Securities Act* (British Columbia) (the “**Securities Act**”), and is in addition to any other right or remedy available to original purchasers in Section 131 of the Securities Act or otherwise at law.

### **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct unsecured obligations of Yerbaé. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the applicable Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of Yerbaé from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of Yerbaé as described in the applicable Prospectus Supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable Prospectus Supplement. The Company reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated Debt Securities is subordinated to any other series of subordinated Debt Securities.

The board of directors of the Company may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any Security.

### **Registration of Debt Securities**

#### ***Debt Securities in Book Entry Form***

Unless otherwise indicated in an applicable Prospectus Supplement, Debt Securities of any series may be issued in whole or in part in the form of one or more global securities (“**Global Securities**”) registered in the name of a designated clearing agency (each, a “**Depository**”) or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depositary arrangement with respect to any portion of a series of Debt Securities to be represented by a Global Security will, to the extent not described herein, be described in the Prospectus Supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depositary arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the Debt Securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee (collectively, “**Participants**”). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the Debt Securities represented by a Global Security will be made by Yerbaé to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any

payment of principal, premium, if any, or interest, if any, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. Yerbaé also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Debt Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Debt Securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their respective names, will not receive or be entitled to receive physical delivery of such Debt Securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a Debt Security or otherwise take action with respect to such holder's interest in a Debt Security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for Debt Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to properly discharge its responsibilities as Depository and Yerbaé is unable to locate a qualified successor; (ii) Yerbaé at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the Debt Securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry Debt Securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depository may direct.

Yerbaé, any underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the Debt Securities held by the Depository or the book-entry accounts maintained by the Depository; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests; or (iii) any advice or representation made by or with respect to the Depository and contained in this Prospectus or in any Prospectus Supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Participants.

Unless otherwise stated in the applicable Prospectus Supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any Debt Securities represented by a Global Security.

### ***Debt Securities in Certificated Form***

A series of the Debt Securities may be issued in definitive form, solely as registered Securities, solely as unregistered Securities or as both registered Securities and unregistered Securities. Unless otherwise indicated in the applicable Prospectus Supplement, unregistered Securities will have interest coupons attached.

In the event that the Debt Securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable Prospectus Supplement, payment of principal, premium, if any, and interest, if any, on the Debt Securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the

Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable Prospectus Supplement, payment of interest, if any, will be made to the persons in whose name the Debt Securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of Debt Securities, registered Securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable Prospectus Supplement, unregistered Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such an event, unregistered Securities surrendered in a permitted exchange for registered Securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable Prospectus Supplement, unregistered Securities will not be issued in exchange for registered Securities. The applicable Prospectus Supplement may indicate the places to register a transfer of the Debt Securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the Debt Securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

### **Description of Warrants**

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares, or Preferred Shares, or equity Warrants, or for the purchase of Debt Securities, or debt Warrants. This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant agreement and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Warrant agreement. Prospective investors should refer to the Warrant indenture or Warrant agency agreement relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any Warrant indenture or Warrant agency agreement relating to an offering of Warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered into it, and will be available electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Yerbaé may issue Warrants independently or together with other securities, and Warrants sold with other Securities may be attached to or separate from the other Securities. Warrants will be issued under one or more Warrant agency agreements to be entered into by Yerbaé and one or more banks or trust companies acting as Warrant agent. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

Yerbaé will deliver an undertaking to the securities regulatory authority in the provinces of each of the provinces and territories of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Nunavut and Yukon, that it will not distribute Warrants that, according to their terms as described in the applicable Prospectus Supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in the provinces and territories where the Warrants will be distributed.

The applicable Prospectus Supplement relating to any Warrants that we offer will describe the particular terms of those Warrants and include specific terms relating to the offering.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the exercise of such Warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the Warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the Securities Act, and is in addition to any other right or remedy available to original purchasers in Section 131 of the Securities Act or otherwise at law.

In an offering of Warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible securities, are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

### **Equity Warrants**

The particular terms of each issue of equity Warrants will be described in the applicable Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of equity Warrants;
- the price at which the equity Warrants will be offered;
- the currency or currencies in which the equity Warrants will be offered;
- the date on which the right to exercise the equity Warrants will commence and the date on which the right will expire;
- the number of Common Shares or Preferred Shares, as applicable, that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares or Preferred Shares, as applicable, may be purchased upon exercise of each equity Warrant;
- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity Warrants;
- whether the Company will issue fractional Common Shares or Preferred Shares, as applicable;
- whether the Company has applied to list the equity Warrants or the underlying Common Shares on a stock exchange;
- the designation and terms of any securities with which the equity Warrants will be offered, if any, and the number of the equity Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the equity Warrants and the related Securities will be transferable separately;
- whether the equity Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity Warrants;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the equity Warrants; and
- any other material terms or conditions of the equity Warrants.

## **Debt Warrants**

The particular terms of each issue of debt Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of debt Warrants;
- the price at which the debt Warrants will be offered;
- the currency or currencies in which the debt Warrants will be offered;
- the designation and terms of any securities with which the debt Warrants are being offered, if any, and the number of the debt Warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt Warrants and the related securities will be transferable separately;
- the principal amount and designation of Debt Securities that may be purchased upon exercise of each debt Warrant and the price at which and currency or currencies in which that principal amount of Debt Securities may be purchased upon exercise of each debt Warrant;
- the date on which the right to exercise the debt Warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt Warrants that may be exercised at any one time;
- whether the debt Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt Warrants;
- whether we have applied to list the debt Warrants or the underlying Debt Securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt Warrants; and
- any other material terms or conditions of the debt Warrants.

## **Description of Units**

Yerbaé may issue Units, which may consist of one or more of Common Shares, Preferred Shares, Warrants or any other Security specified in the relevant Prospectus Supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the Securities included in the Unit. In addition, the relevant Prospectus Supplement relating to an offering of Units will describe all material terms of any Units offered, including, as applicable:

- the designation and aggregate number of Units being offered;
- the price at which the Units will be offered;
- the designation, number and terms of the securities comprising the Units and any agreement governing the Units;
- the date or dates, if any, on or after which the securities comprising the Units will be transferable separately;
- whether we will apply to list the Units or any of the individual securities comprising the Units on any exchange;
- material Canadian income tax consequences of owning the Units, including, how the purchase price paid for the Units will be allocated among the securities comprising the Units; and
- any other material terms or conditions of the Units.

## Description of Subscription Receipts

Yerbaé may issue Subscription Receipts separately or in combination with one or more other Securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (collectively, the “**Release Conditions**”) and for no additional consideration, Common Shares, Preferred Shares, Warrants, Debt Securities or any combination thereof. Subscription Receipts will be issued pursuant to one or more Subscription Receipt agreement (each, a “**Subscription Receipt Agreement**”), the material terms of which will be described in the applicable Prospectus Supplement, each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant Prospectus Supplement. The Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

The following is a brief summary of certain general terms and provisions of the Subscription Receipts that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Subscription Receipts as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Subscription Receipts, and the extent to which the general terms and provisions described below may apply to such Subscription Receipts will be described in the applicable Prospectus Supplement.

The Prospectus Supplement and the Subscription Receipt Agreement for any Subscription Receipts that we may offer will describe the specific terms of the Subscription Receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Subscription Receipts being offered;
- the price at which the Subscription Receipts will be offered;
- the designation, number and terms of the Common Shares, Preferred Shares, Warrants and/or Debt Securities, as applicable, to be received by the holders of Subscription Receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met in order for holders of Subscription Receipts to receive, for no additional consideration, the Common Shares, Preferred Shares, Warrants and/or Debt Securities, as applicable;
- the procedures for the issuance and delivery of the Common Shares, Warrants and/or Debt Securities to holders of Subscription Receipts upon satisfaction of the Release Conditions, as applicable;
- whether any payments will be made to holders of Subscription Receipts upon delivery of the Common Shares, Preferred Shares, Warrants and/or Debt Securities, as applicable, upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of Subscription Receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the Common Shares, Preferred Shares, Warrants and/or Debt Securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions

- under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of Subscription Receipts in the event that this Prospectus, the Prospectus Supplement under which such Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- whether we will issue the Subscription Receipts as Global Securities and, if so, the identity of the Depository for the Global Securities;
- whether we will issue the Subscription Receipts as unregistered bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, Preferred Shares, Warrants or other Securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares or Preferred Shares;
- whether the Company will apply to list the Subscription Receipts on any exchange;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts.

Original purchasers of Subscription Receipts will have a contractual right of rescission against the Company in respect of the conversion of the Subscription Receipts. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Subscription Receipts upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the Subscription Receipts under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Subscription Receipts under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described in Section 131 of the Securities Act, and is in addition to any other right or remedy available to original purchasers in Section 131 of the Securities Act or otherwise at law.

#### ***Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions***

The holders of Subscription Receipts will not be, and will not have the rights of, Shareholders. Holders of Subscription Receipts are entitled only to receive Common Shares, Preferred Shares, Warrants and/or Debt Securities upon exchange of their Subscription Receipts, plus any cash payments, if applicable, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of Subscription Receipts shall be entitled to a refund of all or a portion of the subscription price thereof and their pro-rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement.

#### ***Escrow***

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in



payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, Preferred Shares, Warrants and or Debt Securities may be held in escrow by the Escrow Agent and will be released to the holders of Subscription Receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

### ***Modifications***

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or a consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that we may amend any Subscription Receipt Agreement and the Subscription Receipts without the consent of the holders of the Subscription Receipts to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not materially and adversely affect the interests of the holders of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

## **DIVIDENDS**

No dividends on the Common Shares have been paid by the Company to date. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the Company, after considering a multitude of factors appropriate in the circumstances, including the Company's operating results, financial condition and current and anticipated cash needs.

## **PLAN OF DISTRIBUTION**

Yerbaé may issue our Securities offered by this Prospectus for cash or other consideration (i) to or through underwriters, dealers, placement agents or other intermediaries, (ii) directly to one or more purchasers or (iii) in connection with acquisitions of assets or shares or another entity or company. The consideration for an acquisition of assets or shares of another entity or company may consist of any of the Securities covered hereby separately, a combination of such Securities, or any combination of, among other things, securities, cash or the assumption of liabilities.

Each Prospectus Supplement with respect to our securities being offered will set forth the terms of the offering, including:

- the person offering the Securities;
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, our Securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

Yerbaé's Securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market price or at

negotiated prices, including sales made directly on the TSXV or other existing trading markets for the Securities. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

Only underwriters named in the Prospectus Supplement are deemed to be underwriters in connection with our securities offered by that Prospectus Supplement.

Under agreements which may be entered into by the Company, underwriters, dealers and agents who participate in the distribution of our Securities may be entitled to indemnification by the Company against certain liabilities, including liabilities under applicable Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. The underwriters, dealers and agents with whom we enter into agreements may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

### **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder. Investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

### **PROMOTER**

Todd Gibson, the CEO and a director of Yerbaé, may be considered to be a promoter of the Company as that term is defined within the *Securities Act* (British Columbia) as well as within the meaning of relevant Canadian securities legislation, as he took the initiative in founding and organizing the business of Company. As of the date hereof, Mr. Gibson beneficially owns or exercises control or direction over an aggregate of 8,487,396 Common Shares representing 14.43% of the issued and outstanding Common Shares.

### **INTERESTS OF EXPERTS**

#### **NAME OF EXPERTS**

The following are the persons or companies who were named as having prepared or certified a statement report or valuation in this Prospectus either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

- Charlton & Company, Chartered Professional Accountants, the former independent auditors of Kona Bay (the Company prior to the closing of the Transaction), who prepared an independent report dated January 13, 2023 in respect of the Kona Bay Annual Financial Statements incorporated by reference into this Prospectus.
- Sikich LLP, Certified Public Accountants and Advisors, the former independent auditors of Yerbaé USA, who prepared an independent report dated May 9, 2022 in respect of the Yerbaé Annual Financial Statements incorporated by reference into this Prospectus.

## **INTERESTS OF EXPERTS**

Charlton & Company has confirmed that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and any applicable legislation or regulations. Sikich LLP, Certified Public Accountants and Advisors, the auditors of Yerbaé, are independent of Yerbaé in accordance with the Code of Professional Conduct for Members of American Institute of Certified Public Accountants.

None of the aforementioned persons nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are Davidson & Company LLP, Chartered Professional Accountants, of Suite 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1H4.

The transfer agent and registrar of the Company is Odyssey Trust Company, Suite 323 – 409 Granville Street, Vancouver, British Columbia V6C 1T2.

## **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. The right to withdraw from an agreement to purchase securities may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal adviser.

In an offering of Warrants, Preferred Shares, or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the Prospectus or a Prospectus Supplement (or any amendment thereto) is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible, exchangeable or exercisable securities are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

**CERTIFICATE OF YERBAÉ BRANDS CORP.**

**DATED:** January 4, 2024.

This short form base shelf prospectus, together with the documents incorporated in this short form base shelf prospectus by reference, will, as of the date of the last supplement to this short form base shelf prospectus relating to the securities offered by this short form base shelf prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

*"Todd Gibson"*

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Todd Gibson  
Chief Executive Officer

*"Nick Cranny"*

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Nick Cranny  
Interim Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Carl Sweat"*

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Carl Sweat  
Director

*"Rose Zanic"*

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Rose Zanic  
Director

## CERTIFICATE OF THE PROMOTER

**DATED:** January 4, 2024.

This short form base shelf prospectus, together with the documents incorporated in this short form base shelf prospectus by reference, will, as of the date of the last supplement to this short form base shelf prospectus relating to the securities offered by this short form base shelf prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

*"Todd Gibson"*

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Todd Gibson