

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Yerbaé Brands Corp. (the “**Company**” or “**Yerbaé**”)
18801 N Thompson Peak Parkway
Suite D-380
Scottsdale, AZ, 85255

Item 2 Date of Material Change

December 8, 2023

Item 3 News Release

The news release dated December 8, 2023 was disseminated through Stockwatch and BayStreet on December 8, 2023.

Item 4 Summary of Material Change

The Company intends to reprice an aggregate of 2,015,163 outstanding common share purchase warrants (collectively, the “**Warrants**”) issued pursuant to a private placement completed on February 8, 2023. The Warrants have an exercise price of US\$1.50 per common share (each, a “**Share**”) and an expiry date of August 8, 2024. Management believes repricing these “out of the money” Warrants could encourage their earlier exercise, improving the Company’s balance sheet and helping to finance a number of business development opportunities. The Warrants will be deemed to be amended to adjust their exercise price to US\$1.20 per Share (collectively, the “**Amended Warrants**”).

The Company also announces that if it obtains Warrant Amendment Approval, it will institute a warrant incentive program (the “**Incentive Program**”) designed to encourage the early exercise of the 2,015,163 Amended Warrants.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company intends to reprice an aggregate of 2,015,163 Warrants issued pursuant to a private placement completed on February 8, 2023. The Warrants have an exercise price of US\$1.50 per Share and an expiry date of August 8, 2024. Management believes repricing these “out of the money” Warrants could encourage their earlier exercise, improving the Company’s balance sheet and helping to finance a number of business development opportunities. The Warrants will be deemed to be amended to adjust their exercise price to US\$1.20 per Share.

The Amended Warrants will also be deemed to have been amended to include an acceleration provision whereby, if for any ten (10) consecutive trading days (the “**Premium Trading Days**”) following the repricing the closing price of the Shares exceeds US\$1.44 per Share, the Amended Warrants’ expiry date will be accelerated such that holders will have thirty (30) calendar days to exercise the Amended Warrants (if they have not first expired in the normal course)(the “**Acceleration Clause**”). The activation of the Acceleration Clause will be announced by press release and the 30-day period will commence no later than seven (7) days after the last

Premium Trading Day.

The amendment of the Warrants is subject to the prior consent of all Warrant holders and the approval ("**Warrant Amendment Approval**") of TSX Venture Exchange (the "**Exchange**").

The Company also announces that if it obtains Warrant Amendment Approval, it will institute the Incentive Program designed to encourage the early exercise of the 2,015,163 Amended Warrants. Under the Incentive Program, the Company will offer an inducement to each Warrant holder that exercises its Amended Warrants prior to 5:00 p.m. (Vancouver time) on January 15, 2024, by the issuance of one additional Share purchase warrant (each, an "**Incentive Warrant**") for each Warrant exercised. Each Incentive Warrant will entitle the holder to purchase one additional Share at a price of US\$1.50 per Share for a period of two (2) years from the date of the Warrant Amendment Approval and will be subject to a four month and one day hold period from their date of issuance.

The Incentive Program will commence upon receipt of Warrant Amendment Approval and will expire on January 15, 2024 at 5:00 p.m. (Vancouver time).

The Company intends to issue an updating news release upon receipt, if any, of Warrant Amendment Approval and commencement of the Incentive Program, outlining the terms and conditions and the method of exercising Warrants pursuant to the Incentive Program. The Incentive Program is subject to approval by the Exchange.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Todd Gibson, Chief Executive Officer, 480.471.8391

Item 9 Date of Report

December 12, 2023