

**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 6, 2023

**Item 3 News Release**

The news release dated December 6, 2023 was disseminated through Globe Newswire on December 6, 2023.

**Item 4 Summary of Material Change**

The Company announced that it closed its previously announced private placement offering of 1,003,468 special warrants (each, a “**Special Warrant**”), priced at US\$1.50 per Special Warrant, for total gross aggregate proceeds of US\$1,505,202 (the “**Offering**”). The net proceeds from the Offering will be used for Yerbaé’s continued expansion through product innovation, distribution growth and marketing strategies, as well as for working capital and general corporate purposes.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

On December 6, 2023, the Company closed its Offering of 1,003,468 Special Warrants for gross aggregate proceeds of US\$1,505,202.

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**”), acted as agents for and on behalf of the Company on a commercially reasonable “best efforts” agency basis, without underwriter liability, in connection with the Offering.

Each Special Warrant will be exercisable by the holder for one unit of the Company (each, an “**Underlying Unit**” and collectively, the “**Underlying Units**”), for no additional consideration. Each Underlying Unit will be comprised of one common share (each, a “**Common Share**”) and one Common Share purchase warrant (each, a “**Warrant**” and collectively with the Common Shares, the “**Underlying Securities**”). Each Warrant will entitle 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 and territories of Canada, except the province of Quebec, (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 Offering, the Company paid 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.

All securities issued in connection with the Offering are subject to a statutory four-month hold period.

*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