



Yerbaé Brands Corp.

For Immediate Release

TSX Venture: YERB.U

**YERBAÉ BRANDS CORP. ANNOUNCES PRIVATE PLACEMENT OF
UNSECURED CONVERTIBLE DEBENTURE UNITS**

***NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR
FOR DISSEMINATION IN THE UNITED STATES***

April 3, 2023, Scottsdale, Ariz. - Yerbaé Brands Corp. (the “**Company**” or “**Yerbaé**”) (TSXV:YERB.U) – is pleased to announce it has entered into an engagement agreement with Beacon Securities Limited, as lead agent and sole bookrunner, on behalf of a syndicate of agents (collectively, the “**Agents**”) in connection with a private placement offering of up to 3,000 unsecured convertible debenture units (collectively, the “**Debenture Units**”) of the Company at a price of US\$1,000 per Debenture Unit (the “**Issue Price**”) for aggregate gross proceeds of up to US\$3,000,000 (the “**Offering**”).

Each Debenture Unit shall consist of: (i) one (1) US\$1,000 principal amount unsecured convertible debenture (each, a “**Debenture**”); and (ii) 714 common share purchase warrants (each, a “**Warrant**”).

The maturity date (the “**Maturity Date**”) of the Debentures will be 24 months from the date of issuance (the “**Closing Date**”) and shall bear interest at a rate of 6.0% per annum from the Closing Date, payable on the earlier of the Maturity Date or the date of conversion of the Debentures. The interest will be payable in common shares (each, a “**Common Share**”) in the capital of the Company to be determined at the Market Price (as that term is defined in the Policies of the TSX Venture Exchange (“**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 (the “**Conversion Price**”), subject to adjustment in certain customary events.

Each Warrant will entitle the holder thereof to acquire one Common Share (each, a “**Warrant Share**”) at a price per Warrant Share of US\$1.70 for a period of 24 months from the Closing Date, subject to an acceleration right whereby in the event the Common Shares having a daily volume weighted average trading price on the TSXV (or such other recognized North American securities exchange) of US\$2.50 or greater per Common Share for any 10 consecutive trading day period at any time after the date that is four months following the Closing Date, the Company 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 30 days after the date of such notice.

The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes. Closing of the Offering is expected to occur in multiple tranches with the initial closing expected on or about April 13, 2023.

All securities issued in connection with the Offering will be offered by way of private placement in each of the Provinces of Canada and such other jurisdictions as may be determined by the Company, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. All securities issued in connection with the Offering will be subject to a statutory four-month hold period from the Closing Date.

The Company has also granted the Agents an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time up to 48 hours prior to the Closing Date, to sell up to an additional 450 Debenture Units (each, an “**Additional Debenture Unit**”) at a price per Additional Debenture Unit equal to the Issue Price for additional gross proceeds up to US\$450,000, with each Additional Debenture Unit being sold on the same terms as the Debenture Units.

The Offering will be conducted pursuant to the terms of an agency agreement to be entered into between the Company and the Agents on or prior to the Closing Date. In connection with the Offering, the Agents will receive: (i) a cash fee equal to 7.0% of the gross proceeds of the Offering (reduced to 3.5% in connection with proceeds raised pursuant to a President’s List); and (ii) compensation options (each, a “**Compensation Option**”) entitling the Agents to purchase, at a price equal to the Conversion Price, that number of Common Shares equal to 7.0% of the aggregate number of Common Shares underlying all Debentures issued pursuant to the Offering (reduced to 3.5% in connection with Debenture Units purchased by President’s List purchasers). The Compensation Options shall have a term of 24 months from the Closing Date and are subject to the approval of the TSXV.

The securities offered will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Yerbaé Brands Corp.

Founded in 2017 by Todd Gibson and Karrie Gibson, Yerbaé Brands Corp., (TSXV: YERB.U) is disrupting the energy beverage marketplace with great tasting, zero sugar, zero calorie beverages, while using plant-based ingredients that are designed to meet the needs of the wellness forward consumer. Harnessing the power of nature, Yerbaé’s celebrity ingredient (Yerba Mate) is known to produce 196 different vitamins, minerals and nutrients that also produces caffeine.

By combining Yerba Mate, a South American herb with its premium ingredients and flavors, Yerbaé provides consumers with a no compromise energy solution. All Yerbaé energy beverages are zero calorie, zero sugar, non-GMO, and gluten free.

Find us @DrinkYerbae on Instagram and Facebook.

Disclaimer for Forward-Looking Information

This news release contains forward-looking statements relating to the Company. Statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future, including, without limitation: the completion of the Offering on the terms outlined herein or at all as well as the intended use of proceeds therefrom. Forward-looking statements are based on assumptions and are subject to a number of risks

and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. The material assumptions supporting these forward-looking statements include, among others, that the Company will be able to close and receive approval from the TSXV for the Offering; that the demand for the Company's products will continue to significantly grow; that the past production capacity of the Company's co-packing facilities can be maintained or increased; that there will be increased production capacity through implementation of new production facilities, new co-packers and new technology; that there will be an increase in number of products available for sale to retailers and consumers; that there will be an expansion in geographical areas by national retailers carrying the Company's products; that the Company's brokers and distributors will continue to sell and prioritize the Company's products; that there will not be interruptions on production of the Company's products; that there will not be a recall of products due to unintended contamination or other adverse events relating to the Company's products; and that the Company will be able to obtain additional capital to meet the Company's growing demand and satisfy the capital expenditure requirements needed to increase production and support sales activity. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inability to close and receive final TSXV approval for the Offering; governmental regulations being implemented regarding the production and sale of energy drinks; the fact that consumers may not embrace and purchase any of the Company's products; additional competitors selling energy drinks reducing the Company's sales; the fact that the Company does not own or operate any of its production facilities and that co-packers may not renew current agreements and/or not satisfy increased production quotas; the potential for supply chain interruption due to factors beyond the Company's control; the fact that there may be increases in costs and/or shortages of raw materials and/or ingredients and/or fuel and/or costs of co-packing; the fact that there may be a recall of products due to unintended contamination; the inherent uncertainties associated with operating as an early stage company; changes in customer demand and the fact that consumers may not embrace energy drink products as expected or at all; the extent to which the Company is successful in gaining new long-term relationships with new retailers and retaining existing relationships with retailers, brokers, and distributors; the Company's ability to raise the additional funding outside the Offering that it will need to continue to pursue its business, planned capital expansion and sales activity; and competition in the industry in which the Company operates and market conditions.

These forward-looking statements are made as of the date of this news, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by applicable law, including the securities laws of the United States and Canada. Although the Company believes that any beliefs, plans, expectations and intentions contained in this presentation are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. Readers should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in greater detail under "Risk Factors" in the Company's Information Circular dated November 13, 2022 available on SEDAR at www.sedar.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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