

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

April 13, 2023

Item 3 News Release

The news release dated April 13, 2023 was disseminated through Stockwatch and Market News on April 13, 2023.

Item 4 Summary of Material Change

On April 13, 2023, the Company successfully closed the first tranche (the “**First Tranche**”) of its 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 “**Offering**”). The First Tranche consisted of 1,650 Debenture Units for gross proceeds of US\$1,650,000. The Company expects the Offering to be fully subscribed upon the closing of the second and final tranche. The Offering is being conducted by a syndicate of agents led by Beacon Securities Limited (“**Beacon**”) and including Echelon Wealth Partners Inc. and Roth Canada Inc. (collectively with Beacon, the “**Agents**”).

The Offering

Each Debenture Unit consists 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 Debentures will mature on April 30, 2025 (the “**Maturity Date**”) and shall 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 (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 date 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 on Common Share (each, a “**Warrant Share**”) at a price per Warrant 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 10 consecutive trading day period at any time

after the date that is four months following the issuance of the Warrants, 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.

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

In connection with the closing of the First Tranche, the Company paid the Agents a cash fee of US\$63,000 and issued to the Agents an aggregate of 45,000 compensation options (each, a “**Compensation Option**”), entitling the Agents to purchase an equal number of Common Shares at a price equal to the Conversion Price. The Compensation Options have a term of 24 months from the closing of the First Tranche.

In addition, the Company also paid the Agents a cash corporate finance fee of US\$17,500 and issued the Agents an aggregate of 12, 500 corporate finance fee compensation options (each, a “**Corporate Finance Fee Compensation Option**”), entitling the Agents to purchase an equal number of Common Shares at a price equal to the Conversion Price. The Corporate Finance Fee Compensation Options have a term of 24 months from the closing of the First Tranche.

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. The 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.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

A full description of the material change is described in Item 4 above and in the News Release filed on SEDAR at www.sedar.com.

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

April 19, 2023