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BEACN Announces Intent to Close Second Tranche of Private Placement

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Vancouver, BC, August 31, 2023 - BEACN Wizardry & Magic Inc. (TSX-V: BECN) (“BEACN” or the “Company”) is pleased to announce that, further to its news release dated July 26, 2023 announcing the closing of the first tranche of the non-brokered private placement (the “Offering”) of up to 5,000,000 units of the Company (the “Units”) at a price of C\$0.20 per Unit for gross proceeds to the Company of up to \$1,000,000, the Company intends to complete a second tranche of the Offering, subject to receipt of all necessary regulatory approvals including the TSX Venture Exchange (the “TSXV”). The second tranche is expected to close by September 30, 2023.

Under the Offering, each Unit will be comprised of one common share (a “Share”) and one non-transferable common share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to purchase one additional Share for a period of three years from the closing of the Offering for \$0.45.

At the option of the investor and with the approval of the Company, the Share may be designated an Eligible Business Corporation Share (an “EBC Share”) and if so designated the investor will be eligible for a 30% tax credit. If elected, there will be restrictions on the sale of the EBC Shares for a period of 5 years. The Warrant will not be EBC eligible.

Directors and officers of BEACN and shareholders owning more than 10% of the Company’s Common Shares may participate in the Offering for a yet to be determined amount. Any such participation in the Offering will constitute a “related party transaction” as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“61-101”). The Offering will be exempt from the formal valuation and minority shareholder approval requirements of 61-101 as neither the fair market value of the securities issued to related parties nor the consideration for such securities will exceed 25% of the Company’s market capitalization. A material change report will be filed in connection with the participation of the directors and officers in the Offering potentially less than 21 days in advance of the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and to complete the Offering in an expeditious manner.

The proceeds from the Offering will be used to (i) accelerate the Company’s sales program, (ii) support the development and inventory purchases of new products in 2024, (iii) improve on shipping and logistics in new strategic markets and (iv) for general working capital.

Finder’s fees of up to 7% in cash and 7% in warrants (a “Finder’s Warrant”) will be paid to eligible parties at the discretion of the Company. Each Finder’s Warrant will entitle the holder to purchase one additional Share for a period of two years from the closing of the Offering for \$0.20. Except



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for EBC Shares, all of the securities issued with respect to the Offering will be subject to a hold period of four months and one day in accordance with applicable securities laws. EBC Shares will be subject to a hold period of four months and one day in accordance with applicable securities laws and in addition will be subject to restrictions on sale for a period of five years.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States.

About BEACN Wizardry & Magic Inc.

BEACN (TSX-V: BECN) develops innovative audio equipment, peripherals and technology for gamers, live streamers, and content creators. BEACN is committed to delivering premium products that enable everyone to produce studio-quality content. BEACN's award-winning product ecosystem includes BEACN Mic, BEACN Mix and BEACN Mix Create. BEACN is listed on the TSXV under the symbol BECN.

For further information, please contact:

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To learn more visit: www.ir.BEACN.com

Reader Advisory

*Certain information set forth in this news release contains forward-looking statements or information ("**forward-looking statements**"), including details about the proposed second tranche of the Offering and the Company's proposed use of proceeds from the second tranche of the Offering. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation's control, including risks associated with the inability to complete the second tranche of the Offering, timing of receipt of regulatory approval and closing, change in market conditions, evolving global supply chain issues, evolving economic and political issues, and demand for BEACN products.*

Although the Company believes that the expectations in its forward-looking statements are reasonable, its forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on the forward-looking



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statements, as no assurance can be provided as to future results, levels of activity or achievements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, the Company does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Neither the 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.