



For Immediate Release

April 8, 2022

## **BC Craft Announces the Filing of a Proposal to its Creditors and Corporate Update**

**Vancouver, B.C.** – BC Craft Supply Co. Ltd., (CSE: CRFT) ("**CRFT**" or the "**Company**") announces today that it has filed a proposal (the "**Proposal**") pursuant to the Bankruptcy and Insolvency Act (Canada) (the "**BIA**") with the Official Receiver, with Crowe MacKay & Company Ltd acting as proposal trustee (the "**Proposal Trustee**").

### **The Proposal**

The Proposal will enable the Company to preserve and carry on its core business.

The Proposal provides that affected creditors with proven claims will receive a cash distribution, with the option to convert some of the cash distribution to a cash and equity distribution, once the Company has completed its audit, resumed trading and after such conversion is permitted. The cash distributions will be primarily funded by sales revenue. Once implemented, the Proposal will be effective and binding on all affected creditors.

The Proposal provides a better recovery for affected creditors than in a bankruptcy scenario with a forced liquidation of its assets, and the successful implementation of the Proposal will enable the Company to continue its business operations.

A meeting of CRFT's creditors is scheduled to take place on April 25, 2022 at 2:00 p.m PST, virtually. In the event the Proposal receives the requisite support at the creditors' meeting, CRFT will file an application to the British Columbia Supreme Court to seek court approval of the Proposal.



## Corporate Update

The Company announces that it has entered into a supply, packaging and licensing agreement with 9869247 Canada Limited d/b/a Safari Flower Co. ("**Safari**") dated March 18, 2022 (the "**Licensing Agreement**"). Pursuant to the Licensing Agreement, CRFT will supply Safari with bulk cannabis to process into cannabis products by packaging and labelling the bulk cannabis in a form compliant for sale to Canadian consumers, following which Safari will sell and distribute the resulting cannabis products on behalf of CRFT. The initial term of the Licensing Agreement is for one (1) year, following which it will automatically renew for an additional year unless either party provides notice of non-renewal at least ninety (90) days before the end of the then-current term. Either party can terminate the Licensing Agreement with 30 days notice upon breach of any representation, condition, warranty or covenant under the Licensing Agreement.

CRFT also announces the expiration of the Cultivation, Sales (Medical) and Processing license issued by Health Canada to Medcann Health Products Ltd. in connection with the termination of the Medcann facility lease on March 31, 2022 and it has terminated the previously announced service agreement with Think Ahlot Corporation effective January 25, 2022.

### **About BC Craft Supply Co. Ltd.**

BC Craft Supply Co. Ltd. is a diversified wellness company advancing cannabinoid and psychedelic innovation and psychotherapy. The Company offers a reimagined vision for craft markets through collaboration, expertise, and adaptation. Its operations include:

- **CRFT** a curator and aggregator of craft cannabis, providing advocacy and access for premium small-batch growers to Canada's cannabis market;
- **Feelwell Brands**, a successful cannabinoid brand house licensed in the state of California; and
- **AVA Pathways** a pre-clinical biotech company focused on neuroplasticity and mental health applications using psilocybin and compounds derived from mushrooms.



BC Craft works with local artists cross-sector and remains fervently committed to keeping the art, technique, and purity of their pursuit.

Follow [@BC\\_Craft](https://twitter.com/BC_Craft) on Twitter for the latest updates.

THE CANADIAN SECURITIES EXCHANGE (THE "**CSE**") HAS NEITHER APPROVED NOR DISAPPROVED THE CONTENTS OF THIS PRESS RELEASE. NEITHER THE CSE NOR ITS MARKET REGULATOR (AS THAT TERM IS DEFINED IN THE POLICIES OF THE CSE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:**

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements include, but are not limited to, the anticipated outcomes from securing the Interim Facility.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political, and social uncertainties. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in



such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law,

CRFT assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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