

CanBud Distribution Corporation Closes 2.6M First Tranche of its Previously Announced 3.5M Private Placement Offering

Toronto, Ontario--(Newsfile Corp. - February 24, 2021) - CanBud Distribution Corporation (CSE: CBDX) (FSE: CD0) ("**CanBud**" or the "**Corporation**") is pleased to announce that it has closed the first tranche of its previously announced non-brokered private placement for gross proceeds of approximately \$2,639,080 (the "**Offering**"). The second and final tranche of the Offering is expected to close on March 2, 2021.

The Corporation issued 21,992,333 Units at price of \$0.12 per Unit, with each Unit comprised of one common share in the capital of the Corporation (each a "**Common Share**") and one common share purchase warrant (each a "**Warrant**"). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of \$0.22 within 24 months of the closing of the Offering (the "**Warrant Term**"), provided, however that if the closing price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) is \$0.25 or greater per Common Share for a period of five (5) consecutive trading days at any time after the closing date of the Offering, the Corporation may accelerate the Warrant Term such that the Warrants shall expire on the date which is 30 days following the date a press release is issued by the Corporation announcing the reduced warrant terms.

Finder's fees in the aggregate amount of \$84,470.39 in cash and 703,920 broker warrants (the "**Broker Warrants**") were paid to a syndicate of arm's-length finders, with the exception of \$53,594.80 and 446,623 Broker Warrants paid to Florence Wealth Management Inc. ("**Florence**"). Raj Ravindran, CFO and Director of the Corporation, is the ultimate designated person and CEO of Florence. The Broker Warrants were issued on the same terms as the Warrants.

The proceeds raised from the Offering will be used by the Corporation for working capital, business development and general corporate purposes.

All securities issued in connection with the Offering will be subject to a statutory hold period expiring four months and one day after closing. Completion of the Offering is subject to a number of conditions, including, without limitation, receipt of all regulatory approvals, including approval of the CSE.

None of the securities issued in the Offering will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful. All securities issued pursuant to the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering.

About Canbud Distribution Corporation

Canbud Distribution Corporation is a science and technology health and wellness company that encompasses plant based, psychedelic pharmaceutical and non-psychedelic nutraceutical, and hemp cannabinoids (CBD) verticals.

www.canbudcorp.com

<https://www.instagram.com/empathyplantco/?hl=en>

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Notice Regarding Forward Looking Information

This news release is not an offer to sell, or a solicitation of an offer to buy or sell, any securities of the Company and may not be relied upon in connection with the purchase or sale of any such security.

This news release contains "forward-looking information" within the meaning of Canadian securities legislation. The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Forward-looking information includes information including statements with respect to the future exploration performance of the Company. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by the Company at the date the forward-looking information is provided, are inherently subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to (i) adverse market conditions; (ii) risks inherent in the CBD, psychedelics and vegan protein industries in general; (iii) the inability of the Company to complete the Offering and close the second tranche of the Offering; (iv) the CSE not approving the Offering; or (v) risks generally associated with the Company's business, as described in the Company's public filings on SEDAR, which readers are encouraged to review in detail prior to any transaction involving the securities of the Company. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date.

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