

# CanBud Distribution Corporation Closes 2M Second and Final Tranche of its Oversubscribed Private Placement Offering

Toronto, Ontario--(Newsfile Corp. - March 8, 2021) - CanBud Distribution Corporation (CSE: CBDX) (FSE: CD0) ("**CanBud**" or the "**Corporation**") is pleased to announce that it has closed the final tranche of its oversubscribed non-brokered private placement for aggregate gross proceeds of approximately \$4,730,000 (the "**Offering**").

The Corporation issued a combined total of 39,409,346 units (each a "**Unit**") 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.

Under the final tranche of the Offering, finder's fees in the aggregate amount of \$68,690.97 in cash and 572,425 broker warrants (the "**Broker Warrants**") were paid to a syndicate of arm's-length finders, with the exception of \$33,831.00 and 281,925 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. In total, \$151,481.36 in finders fees and 1,262,345 Broker warrants were paid to registered finders pursuant to the Offering.

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

Two directors of the Corporation (the "**Related Parties**") participated in the Offering. The Offering constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the Related Parties nor the consideration being paid by the Related Parties exceeded 25% of the Corporation's market capitalization. A material change report in respect of this related party transaction will be filed by the Corporation but could not be filed at least 21 days prior to the closing of the Offering as the details of the Offering, and the confirmation of insider participation in the Offering, was not definitively known to the Corporation until the date of the closing of the Offering and the board of directors determined that it was in the best interests of the Corporation to close the Offering as soon as practicable.

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.

The Corporation also issued 476,190 Common Shares at a deemed share price of \$0.21 per Common Share to a consultant of the Corporation. The Common Shares were issued further to the Corporation's press releases dated January 7, 2021 and January 18, 2021. The Common Shares will be subject to a statutory hold period expiring on the date that is four months and one day from the date of issuance.

## **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](http://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 Corporation 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 Corporation 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 Corporation. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by the Corporation 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 Corporation to complete the Offering and close the Offering; (iv) the CSE not approving the Offering; (v) the use of the proceeds from the Offering, or (v) risks generally associated with the Corporation's business, as described in the Corporation's public filings on SEDAR, which readers are encouraged to review in detail prior to any transaction involving the securities of the Corporation. 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 Corporation 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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