



Bhang Provides Corporate Update

- *Bhang chocolate launches packaging refresh in California*
- *Bhang announces share issuances and grant of incentive securities to employees*
- *Bhang announces convertible promissory note extensions*
- *Bhang announces resignation of Scott Van Rixel and appointment of Graham Simmonds to the board of directors*

MIAMI, April 22, 2020 -- [Bhang Inc.](#) ("**Bhang**" or the "**Company**") (CSE: BHNG) (OTCQX: BHNGF), a global cannabis CPG brand company with an award-winning portfolio of products, announced today that its cannabis-infused chocolate products have shipped in a new, refreshed packaging design in California. The new packaging will be rolled out by its licensees across the Company's multi-state platform in the coming months.

The launch of the packaging refresh in California includes Bhang's Dark Chocolate, Milk Chocolate and 1:1 CBD Dark Caramel Bars, with other award-winning flavors such as Cookies & Cream, Fire, Ice and Dark Blueberry arriving on shelves in the coming weeks. The new packaging will also be rolled out through Bhang's licensees in Nevada, Michigan, Illinois, Ohio and New Mexico.

Bold Design – Delicious Flavor

The Company's new design is no ordinary refresh. The boxes feature a modern, white exterior with a die-cut around the iconic Bhang "B" revealing original artwork from some of the world's most popular graffiti artists and graphic illustrators including Andrew Archer, Smog One, Jules Muck, Mike Christy, Max Neutra and Josh Porter. Inside, the child-resistant bag features the artist's works providing a "pop of color".

Bhang's full line of new chocolate packaging can be viewed on the Company's website at www.bhangnation.com/bhang-chocolate and followers are encouraged to share their experiences with the chocolate and the new packaging on social media using the hashtag #BhiteMe.

To launch the new packaging, Bhang is promoting a "Bhaked with Bhang" contest including recipes, curated Spotify playlists by DJ Muggs of Cypress Hill, and YouTube cooking shows featuring co-founder and master chocolatier, Scott Van Rixel. Consumers can upload videos of their Bhang creations to TikTok for a chance to win cash prizes.

For future seasonal flavor product launches, Bhang will announce a "Call for Artists" to select unique pieces from amateur artists across the globe. Bhang's art committee, which includes a team of industry experts from the cannabis, art and music worlds including DJ Muggs and the Soul Assassins, will curate the submissions and select the finalists for each limited release. More details on the *Call for Artists* will be available in due course.

Sam Collins, Chief Marketing Officer of the Company, commented, "Bhang's mission is to create finely-crafted cannabis products that turn the fairly enjoyable into the ridiculously fun. Bhang's new packaging perfectly embodies this spirit. It was a pleasure to work with such talented artists to bring it all together."

In the decade since Bhang was founded, the Company has received dozens of top honors for its edible cannabis and cannabidiol-based products. Most recently, Bhang won the *Best Cannabis-Infused Chocolate Award* at WeedCon West 2019 as well as *Best Cannabis Chocolate in New Mexico* from Dank Magazine and *Best Cannabis Edible* from Best of Burque 2019. Other top edible honors included over twenty-two High Times' *Cannabis Cup Best of Awards* and acknowledgments from a diverse range of competitions such as the Medical Cup, Chalice Cup, Patients Choice and the 805 Cannabud Cup, among others.

Share Issuances and Incentive Security Grants

On April 21, 2020, Bhang issued a total of 1,678,572 subordinate voting shares of the Company to a former arm's length consultant of the Company, at a deemed price of Cdn. \$0.14 per share, in settlement of Cdn. \$235,000 of accounts payable for services rendered. Such shares are subject to a statutory four month and one day hold period expiring on August 22, 2020.

On April 21, 2020, Bhang granted options to purchase an aggregate of 370,000 subordinate voting shares of the Company (the "Stock Options") to certain employees of the Company. The Stock Options are exercisable at a price of Cdn. \$0.11 per share for a period of five years from the date of issuance.

On April 21, 2020, Bhang granted 100,000 restricted stock units of the Company (the "RSUs") to an employee of the Company. Upon issuance, 33,333 of the RSUs vested immediately, 33,333 shall vest on January 1, 2021 and 33,334 shall vest on January 1, 2022.

On April 21, 2020, the Company granted 430,000 restricted shares of the Company (the "Restricted Shares") to certain employees of the Company which have been issued as subordinate voting shares. Upon issuance, 143,333 of the Restricted Shares vested immediately, 143,333 shall vest on January 1, 2021 and 143,334 shall vest on

January 1, 2022. A total of 180,000 of the Restricted Shares were granted to an executive officer of the Company.

All Stock Options, RSUs and Restricted Shares were granted in accordance with the Company's 2019 Equity Incentive Plan. The Restricted Shares and subordinate voting shares underlying the RSUs and Stock Options are subject to a statutory four month and one day hold period expiring on August 22, 2020.

Convertible Promissory Note Extensions

The Company and Cannabis Growth Opportunity Corporation (the "Lender") have entered into a forbearance agreement (the "Forbearance Agreement") to extend the maturity dates of two of the Company's 8% convertible promissory notes (collectively, the "Notes") until May 31, 2020. The Notes, each having a principal amount of Cdn. \$300,000, were initially set to mature on April 12, 2020 (the "April Note") and May 14, 2020, respectively. As an accommodation to the Company, the Lender extended the April Note until April 21, 2020.

On April 21, 2020 and pursuant to the Forbearance Agreement, the Lender has extended the maturity dates of the Notes until May 31, 2020 in exchange for: (i) the Company agreeing to pay up to Cdn. \$20,000 of the Lender's legal fees and disbursements with respect to the Notes; (ii) the Company granting to the Lender a general security interest over all property, assets and rights of the Company, securing all amounts owing under the Notes and any additional future advances; (iii) the Company's subsidiary, Bhang Corporation, guaranteeing the indebtedness of the Company to the Lender; and (iv) the Company appointing a nominee of the Lender to the Company and its subsidiaries' board of directors.

Board of Directors Update

Bhang's board of directors announced today that it has accepted the resignation of Scott Van Rixel, Bhang's co-founder, from all Company positions, including director, and has appointed Graham Simmonds to fill the board vacancy, effective April 21, 2020. Mr. Simmonds was nominated by the Lender to serve as a director of the Company pursuant to the Forbearance Agreement.

Jamie L. Pearson, Chief Executive Officer of the Company, commented, "Bhang's very existence and where it is today is a result of Scott. We are grateful for his genius and the many things he has contributed over the last 10 years. I wish him much success in his future endeavors."

Mr. Simmonds is an entrepreneur with a diverse background in consumer-driven businesses. He has founded and taken public three companies over the past 15 years in the gaming, cannabis and financial technology sectors. Mr. Simmonds has over 20 years of general experience in public company management and business development projects within the gaming, technology and other regulated sectors. He is also licensed and/or has previously been licensed/registered with a number of horse racing and gaming commissions in the United States and Canada. Mr. Simmonds is the founder and former Chairman and CEO of CordovaCann Corp., a Canadian-domiciled diversified cannabis investment company listed on the CSE, and DealNet Capital Corp., a consumer finance company listed on the TSX-V. Graham currently serves as a director, officer and/or advisor to a number of public companies including Osoyoos Cannabis Inc., Baymount Incorporated, Gilla Inc. and Prime City One Capital Corp.

Furthermore, the Company's board of directors has determined at this time to dissolve Bhang's Advisory Board as its function will be replaced by board committees. The Company wishes to thank the members of the Advisory Board for their dedication in establishing and leading the Advisory Board through Bhang's early stages as a public company.

Litigation with Former Officer

The Company's subsidiaries were served with a statement of claim by one of its former officers claiming damages of approximately USD \$375,000 for wrongful dismissal, among other related damages. Bhang denies all allegations of wrongful dismissal and is vigorously defending itself against this action.

About Bhang

Bhang is committed to delivering exceptional sensory experiences to consumers at every point in their cannabis journey through its award-winning products. Bhang is a trusted global cannabis company with an extensive portfolio of over 50 cannabis, hemp-derived CBD and terpene products, including chocolates, pre-rolls and hempsticks. Since 2010, Bhang has mastered the art of bringing safe, consistent and delicious cannabis-infused and cannabis-inspired products to the world. Learn more at www.bhangnation.com and purchase our award-winning CBD products at www.bhangcbd.com.

FORWARD LOOKING STATEMENTS

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) statements regarding the future direction of the Company; (ii) the ability of the Company to successfully achieve its business and financial objectives; (iii) plans for expansion of the Company into new jurisdictions; and (iv) expectations for other economic, business, and/or competitive factors. Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the

business of the Company's future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; in particular, in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and hemp products in the markets that the Company operates in; adverse changes in applicable laws or adverse changes in the application or enforcement of current laws; the cannabis market is highly regulated and those regulations and enforcement priorities of governmental authorities may change; compliance with extensive government regulation and related costs; and other risks described in the Company's Listing Statement, dated July 9, 2019, and other filings on www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States or to any "U.S. Person" (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

Neither CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

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