



## Bhang Announces Delayed Filing of Annual Disclosure Documents

MIAMI, April 24, 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 in accordance with Ontario Instrument 51-502 *Temporary Exemption from Certain Corporate Finance Requirements* of the Ontario Securities Commission (and similar exemptions provided by the securities commissions of British Columbia and Alberta) (collectively, the "**Blanket Exemption Order**"), which was adopted for the purpose of providing certain filing and other relief to issuers in light of the challenges posed by the COVID-19 pandemic, that the Company will be delaying the filing and delivery of certain of its continuous disclosure documents due to delays caused by the COVID-19 pandemic.

The Company is relying on the Blanket Exemption Order in delaying: (i) the filing of its annual financial statements and related management's discussion and analysis for the year ended December 31, 2019 (collectively, the "**Required Annual Filings**"); and (ii) compliance with the delivery requirements of applicable securities laws relating to the Required Annual Filings. The Company's officers and directors and certain other persons will remain subject to a trading black-out pursuant to which such persons are prohibited from trading any securities of the Company until the end of the second full trading day following the day on which the Required Annual Filings are filed on SEDAR and a corresponding new release is issued by the Company.

The Company currently intends to make the Required Annual Filings on or before June 13, 2020 in accordance with the Blanket Exemption Order.

Since the filing of the Company's interim financial statements and related management's discussion and analysis for the interim period ended September 30, 2019, which were filed on November 29, 2019, the Company has disclosed by way of news release or filings on SEDAR, the following significant business developments:

- On December 4, 2019, the Company announced that Jamie L. Pearson had assumed the role of President and Chief Executive Officer, replacing Scott Van Rixel who had stepped down as the Company's Chief Executive Officer. Furthermore, the Company also provided a corporate update letter to shareholders;
- On December 30, 2019, the Company announced that Daniel Nauth had been appointed as Interim Chairman of the Board of Directors, replacing Scott Van Rixel who continued to serve as a Director of the Company. Furthermore, the Company announced the issuance of 505,082 subordinate voting shares, at a deemed price of Cdn. \$0.145 per share to certain service providers as compensation for services rendered;
- On January 7, 2020, the Company announced that its wholly-owned operating subsidiary, Bhang Corporation ("**Bhang Corp.**"), had entered into a termination agreement and mutual release, dated January 2, 2020, with CannaRoyalty Corp. d/b/a Origin House ("**Origin House**") to terminate an exclusive California-based license agreement with Kaya Management, Inc., a wholly-owned subsidiary of Origin House. Bhang Corp. also announced that it contracted with Trava, Inc. and Hebran, Inc. to manufacture Bhang-branded products in California. In addition, Bhang Corp. also announced it contracted with Shelf-Life Distributing to distribute Bhang-branded products across California;
- On January 22, 2020, the Company announced that DJ Muggs had been appointed as Chief Brand Strategist of the Company. In connection with the announcement, Bhang Corp. acquired a 50% membership interest in CB Brands LLC and CB Productions LLC in exchange for the issuance of an aggregate of 536,016 subordinate voting shares at a deemed price of Cdn. \$0.50 per share;
- On February 10, 2020, the Company announced that it had received a commitment from Cannabis Growth Opportunity Corporation ("**CGOC**") to invest up to Cdn. \$1,500,000 in a non-brokered private placement offering of units ("**Units**"), at a price of Cdn. \$0.14 per Unit; with each Unit consisting of one subordinate voting share and one share purchase warrant. On February 10, 2020, the Company closed the first tranche of such commitment and issued a total of 3,571,428 Units. Furthermore, the Company and CGOC also completed a share-swap (the "**Share-Swap**") whereby the Company received 3,149,606 common shares of CGOC, at a deemed price of Cdn. \$0.635 per CGOC share, in exchange for the Company issuing 14,285,714 subordinate voting shares to CGOC, at a deemed price of Cdn. \$0.14 per share. In connection with the Share-Swap, each of the Company and CGOC entered into a voting and resale agreement providing that each party will be required to vote the shares acquired under the Share-Swap as recommended by the other party and will be restricted from trading the shares for a period of 18 months;
- On April 22, 2020, the Company announced that it had entered into a forbearance agreement (the "**Forbearance Agreement**") with CGOC to extend the maturity dates of two of the Company's 8% convertible promissory notes (collectively, the "**Notes**") until May 31, 2020. In accordance with the Forbearance Agreement, the Company granted a general security interest over all property, assets and rights of the Company to CGOC, securing all amounts owing under the Notes. Furthermore, the Company announced that it had accepted the resignation of Scott Van Rixel from all Company positions, including as a Director, who was replaced by Graham Simmonds to fill the board vacancy, effective April 21, 2020. Mr. Simmonds was nominated by CGOC to serve as a Director of the Company pursuant to the Forbearance Agreement; and

- On April 22, 2020, the Company also announced that it had issued a total of 1,678,572 subordinate voting shares to a former consultant, at a deemed price of Cdn. \$0.14 per share, in settlement of accounts payable. The Company also granted: (i) options to purchase 370,000 subordinate voting shares, exercisable for a period of five years at an exercise price of Cdn. \$0.11 per share; (ii) 100,000 restricted stock units of the Company; and (iii) 430,000 restricted shares of the Company. All issuances were granted in accordance with the Company's 2019 Equity Incentive Plan. Furthermore, the Company also disclosed that it had been 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 which the Company denies all allegations and intends on vigorously defending itself against such 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](http://www.bhangnation.com) and purchase our award-winning CBD products at [www.bhangcbd.com](http://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](http://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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