



Bhang Announces Debt Settlement and New Credit Facility with Cannabis Growth Opportunity Corporation

MIAMI, FLORIDA, July 20, 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 the Company has completed a number of transactions with [Cannabis Growth Opportunity Corporation](#) ("CGOC") (CSE: CGOC).

Pursuant to a settlement agreement dated July 17, 2020 (the "Settlement Agreement"), the Company and CGOC have settled two convertible promissory notes in the aggregate principal amount of CAD \$600,000 (collectively, the "Notes") by the Company issuing to CGOC a total of 6,666,667 subordinate voting shares of Bhang ("Shares"), at a deemed price of \$0.09 per share. Furthermore, CGOC has settled and released all other rights and remedies available under its forbearance agreement with Bhang entered into on April 22, 2020 and prior financings in exchange for a lump sum payment of \$1,152,857 which was satisfied by the Company with (i) the issuance of 12,809,524 Shares, at a deemed price of \$0.09 per share, and (ii) the issuance of warrants for the purchase of 5,261,905 Shares, exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.15 per share.

The Company and CGOC also entered into an operating credit facility (the "Credit Facility") whereby CGOC shall provide up to the aggregate principal amount of CAD \$1,000,000 to Bhang for general working capital purposes. The Credit Facility bears an interest rate of 8% per year and will mature 36 months from the date of entry. The Credit Facility is secured by a charge on all of the current and future assets of the Company and its subsidiaries pursuant to general security agreements. All advances and accrued interest on the Credit Facility are convertible into Shares at a price of \$0.15 per share. In connection with the Credit Facility, the Company issued to CGOC warrants for the purchase of 6,666,667 Shares, exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.15 per share. As of the date hereof, CGOC has advanced a total of \$256,087, of which, \$197,435 was advanced as cash and \$58,652 of accrued interest on the Notes was rolled into the Credit Facility.

Jamie L. Pearson, Bhang's President and CEO commented, "It is great to have a partner in CGOC with their extensive experience investing in cannabis companies. We fit well in their portfolio and are grateful to have CGOC's vote of confidence. They believe in our brand, our executive team and the strategy for growth we have initiated for Bhang's future to the degree they have committed significant capital resources to supporting our plan. Sean Conacher's vision for CGOC and Bhang together resonated with our Board and we believe this transaction is a true win-win."

Related Party Transaction

CGOC is an insider of the Company as it owns greater than 10% of the subordinate voting shares of the Company. Accordingly, the above mentioned transactions together represent a "related party transaction" under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying on an exemption from the formal valuation requirements of MI 61-101 available on the basis of the securities of the Company not being listed on specified markets, including the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ or certain overseas stock exchanges. The Company is also relying on the exemption from minority shareholder approval requirements



under MI 61-101 as neither the fair market value of the transaction, or the consideration paid, exceed 25% of the Company's "market capitalization" (as defined in MI 61-101). The Company did not file a material change report more than 21 days before the expected closing of the transaction as the details of the transaction was not settled until shortly prior to closing.

About Bhang

Bhang is committed to making the fairly enjoyable ridiculously fun. For over a decade Bhang has delivered exceptional sensory experiences to consumers through its extensive portfolio of over 50 master-chef created cannabis, CBD and terpene products including gourmet chocolates, pre-rolls, CBD isolate, and Hempsticks™. Bhang's *highly*-awarded chocolates are among the top-selling edibles in 7 US states and the #1 and #2 edible of Canada. Bhang's CBD products are globally-distributed and are known for being safe, efficacious and delicious. Learn more at www.bhangnation.com and purchase our high-quality CBD products at www.bhangcbd.com. Live Life with a Bhang!

About CGOC

CGOC is an investment corporation that offers unique global exposure to the emerging global cannabis sector. CGOC's main objective is to provide shareholders long-term total return through its actively managed portfolio of securities, both public and private, operating in, or that derive a portion of their revenue or earnings from products or services related to the cannabis industry.

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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