



Bhang Closes Initial Tranche of Non-Brokered Private Placement; Completes Debt Settlement

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LAS VEGAS, NEVADA, March 5, 2021 - [Bhang Inc.](#) ("**Bhang**" or the "**Company**") (CSE: BHNG) (OTCQB: BHNGF), a global cannabis CPG brand company with an award-winning portfolio of products, announced today that it has closed an initial tranche of a non-brokered private placement of subordinate voting shares ("**Subordinate Voting Shares**") of the Company for gross proceeds of up to \$2,000,000 at a price of \$0.065 per Subordinate Voting Share (the "**Offering**"). The Company has also completed a debt settlement with an insider of the Company.

The Company has closed an initial tranche of the Offering through the issuance of 10,386,577 Subordinate Voting Shares at a price of \$0.065 per Subordinate Voting Share for aggregate gross proceeds of approximately \$675,128. The proceeds of the Offering will be used for general working capital purposes.

The Company has also completed a debt settlement (the "**Debt Settlement**") with an insider relating to funds owed pursuant to an existing operating facility whereby the Company has issued an aggregate of 23,661,623 Subordinate Voting Shares at a deemed price of \$0.065 per Subordinate Voting Share. As an inducement to enter into the Debt Settlement, the insider has agreed to amend the operating facility to extend the maturity date of any future debt under the operating facility to July 17, 2023 without prior demand unless and until the occurrence of an event of default that is continuing pursuant to the terms of the operating facility.

The Subordinate Voting Shares issued in connection with the Offering and the Debt Settlement are subject to a statutory four month and one day hold period expiring on July 6, 2021, and such further restrictions as may apply under foreign securities laws.

One subscription under the Offering and the Debt Settlement constituted a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as a certain insider of the Company received an aggregate of 27,507,777 Subordinate Voting Shares pursuant to such transactions. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the above mentioned subscription through the Offering and Debt Settlement by the insider does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering and the Debt Settlement with the insider as the details of the transaction was not settled until shortly prior to closing of the transactions.



This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The 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 any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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 U.S. states and the #1 and #2 edible in 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!

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 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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