



Bhang and Origin House Mutually Terminate License Agreement

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MIAMI, Jan. 07, 2020 -- Bhang Inc. (the "**Company**") (CSE: BHNG) (OTCQX: BHNGF), a global cannabis CPG brand company with an extensive, award-winning portfolio of products, announced today that its wholly-owned operating subsidiary, Bhang Corporation ("**Bhang**," or the "**Company**"), has entered into a termination agreement and mutual release dated January 2, 2019 (the "**Agreement**") with CannaRoyalty Corp. d/b/a Origin House, ("**Origin House**") (CSE: OH) (OTCQX: ORHOF) and its wholly-owned subsidiary, Kaya Management, Inc. ("**Kaya**"). The Agreement terminates the previously-announced exclusive California license agreement between Bhang and Kaya (the "**License Agreement**"). The parties also agreed to a mutual release of claims resulting from the License Agreement.

Under the Termination and Release Agreement, Bhang will receive royalty payments, input materials, manufacturing equipment, Bhang-branded finished goods, and Origin House shares, collectively valued at approximately US\$1.1M.

Bhang has contracted with Trava, Inc. and Herban, Inc., California's most prolific cannabis co-packers to manufacture Bhang-branded products in California. In addition, Bhang has also contracted Shelf-Life Distributing to distribute these Bhang-branded products across California. Moving from a licensing model to a direct-to-retail model will allow Bhang to control the use of its brand while substantially increasing its footprint throughout California and realizing operations-derived revenue rather than royalties. Bhang's internal sales team is working closely with retailers to ensure a smooth transition.

Bhang's multi-state cannabis platform includes licensees in Florida, Nevada, Michigan, New Mexico, Illinois and Ohio as well as a 50/50 joint-venture with Indiva Limited (TSXV: NDVA) in Canada. The Company's hemp-derived CBD products are available throughout the US in brick & mortar stores and online through bhngcbd.com as well as in Puerto Rico, Germany, Austria, Switzerland, Poland, and the U.K.

As announced on December 4, 2019, the Company is in process of re-locating its headquarters to California, where Bhang was initially founded in 2010. Over the past decade, Bhang has become one of the most-recognized brands in cannabis with its capital-light operating platform driven by top-tier manufacturing and distribution partners.

About Bhang

Bhang is committed to delivering exceptional sensory experiences to consumers at every point in their cannabis journey through its award-winning portfolio of brands. Bhang is a trusted global cannabis company with an extensive portfolio of over 100 cannabis, hemp-derived CBD and terpene products, including chocolates, pre-rolls, gums, and beverages through its wholly-owned Red Ace Organics division, among others. Since 2010, Bhang has mastered the art of harnessing mutually-beneficial partnerships to bring safe, consistent and delicious products to the world. Learn more at www.bhangnation.com and purchase our award-winning CBD products at <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; and 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 filed 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 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.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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