



## ***North Bud Farms Signs Binding Letter of Intent to Acquire Nevada Botanical Science***

**Toronto, Ontario, June 25, 2019 (GLOBE NEWSWIRE) – North Bud Farms Inc. (CSE: NBUD) (OTCQB: NOBDF) ("NORTHBUD" or the "Company")** is pleased to announce that it has entered into a binding letter of intent ("LOI"), effective June 23, 2019, to acquire all of the issued and outstanding securities of Nevada Botanical Science, Inc. ("NBS") in a transaction valued at USD\$7 million.

Nevada Botanical Science is located in Reno, Nevada. They hold medical and adult use licenses for cultivation extraction and distribution. NBS' operation is located on 3.2 acres of land within the Reno green zone industrial park. NBS currently operates a 5,000 sq. ft. indoor cultivation facility and have been approved for expansion of up to 100,000 sq. ft. The property also houses an extraction facility and commercial kitchen capable of manufacturing beverages and edibles. Operated by healthcare professionals, NBS has been primarily focused on the cultivation and manufacturing of medical cannabis products. NBS currently manufactures and sells award winning\* (Jack Herer Cup 2018) topical pain creams, balms and lotions under the Trichomic brand.

"We are very excited to have the opportunity to enter the Nevada market," said Ryan Brown, CEO of NORTHBUD. "The Nevada market is considered one of the best markets in America with recreational sales of USD\$580 million in the first full year of legalization\* (2017 Nevada Dept. of Taxation). Assuming the successful closing of the proposed transaction with NBS and our previously announced transactions with Eureka Vapor and Tanforan Ventures, we are building an excellent platform in the 3 largest markets in the United States on which to build our brand focused strategy."

"The NBS team is pleased to be entering into this agreement with NORTHBUD, as we believe that NORTHBUD and its brands will be a perfect addition to our existing medical business and allow us to capitalize on the Nevada recreational market," said Robert Dalrymple, MD., CEO of Nevada Botanical Science.

### **Transaction Terms**

The proposed transaction (the "Transaction") is currently structured as a share purchase agreement whereby in exchange for the purchase of all of the securities of NBS, NORTHBUD will pay USD\$6M in cash and issue USD\$1M in common shares ("Common Shares") to the shareholders of Nevada Botanical Science (the "NBS Shareholders") with the price per Common Share to be determined based on a formula of the higher of (a)

CAD\$0.35 per Common Share and (b) the 30-day volume weighted average price ("VWAP") calculated on the closing date (the "Closing Date") of a definitive agreement in respect of the Transaction (the "Definitive Agreement"). In addition, NORTHBUD has agreed to loan up to USD\$500,000 under a promissory note to NBS while the companies work towards a definitive agreement. Specific terms of the promissory note are not yet determined, however any amounts loaned to NBS under the promissory note will be fully refundable and may be converted into equity in NBS, at the option of NORTHBUD, in the event that the transaction is not completed. NORTHBUD and NBS Shareholders expect to enter into the Definitive Agreement on or before October 1, 2019.

The Transaction is a significant acquisition but will not result in a "Fundamental Change" pursuant to the policies of the Canadian Securities Exchange ("CSE"). Financial information on NBS will be disclosed following receipt of audited financial statements in connection with the Company's due diligence. NORTHBUD will be preparing the necessary corporate and securities filings in order to secure the required approvals for the Transaction.

NORTHBUD has agreed to pay up USD\$280,000 in broker/finder fees to arm's length parties in connection with the closing of the Transaction.

The closing of the Transaction is conditional on the receipt by the parties of applicable corporate and regulatory approvals including that of the CSE.

While the proposed transactions involving NBS, Tanforan Ventures and Eureka Vapor are complementary, they are independent and the Company may ultimately proceed to close one, two, all or none of the proposed transactions, depending on market conditions and regulatory requirements.

#### **About Nevada Botanical Science, Inc.**

Founded by a group of northern Nevada physicians and healthcare professionals who believe in the promise of medical cannabis, Nevada Botanical Science has developed a world class cannabis production, research and development facility in Reno's Washoe County. Its work and commitment are fully in compliance with the Hippocratic Oath as well as Nevada statute. Nevada Botanical Science is dedicated to ensuring the highest measure of safety, governance and stewardship for its patients, employees and the community it serves.

For more information visit: [www.nevadabotanicalscience.com](http://www.nevadabotanicalscience.com)

#### **About North Bud Farms Inc.**

North Bud Farms Inc., through its wholly owned subsidiary GrowPros MMP Inc., is pursuing a licence under The Cannabis Act. The Company is constructing a state-of-the-art purpose-built cannabis production facility located on 95 acres of Agricultural Land in

Low, Quebec. North Bud Farms Inc. has entered into agreements to acquire assets in California, Colorado and Nevada.

For more information visit: [www.northbud.com](http://www.northbud.com)

Neither the Canadian Securities Exchange (the “CSE”) nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

### **Forward-looking statements**

Certain statements included in this press release constitute forward-looking information or statements (collectively, “forward-looking statements”), including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “may”, “should” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This press release contains forward-looking statements including those relating to the entering into of the Definitive Agreement, closing of the Transaction and associated approvals, Nevada Botanical Science’s ability to achieve milestones under the Definitive Agreement and associated Common Share issuances. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Such risks and uncertainties include, among others, the risk factors included in North Bud Farms Inc.’s final long form prospectus dated August 21, 2018 which is available under the issuer’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **FOR ADDITIONAL INFORMATION, PLEASE CONTACT:**

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