



North Bud Farms Provides Corporate Update

TORONTO, April 28, 2020 (GLOBE NEWSWIRE) -- North Bud Farms Inc. (CSE: NBUD) (OTCQB: NOBDF) ("NORTHBUD" or the "Company") provides shareholders with the following corporate update:

Financing

Further to the Company's press releases of January 27, 2020 and February 14, 2020, the Company continues to pursue the capital required to fund ongoing and proposed corporate initiatives. Recent volatility in the overall public markets coupled with the reduction in market capitalization of cannabis companies that began last fall has exacerbated already difficult conditions in which management continues to pursue debt funding solutions secured by the Company's Quebec-based licensed cannabis cultivation facility. The Company recently obtained a third-party appraisal as to the use and value of its facility at \$6,000,000. This represents a potential of \$3,200,000 in unencumbered equity that could be leveraged to provide the capital needed to maximize operations at the facility. The Board and executive management remain committed to seeking out all options to secure the additional working capital required to further the Company's corporate objectives in a manner that will maximize long-term value for all NORTHBUD stakeholders.

Corporate Operations and Restructuring

Due to government imposed COVID-19 restrictions, effective March 13, 2020, the Company has been operating under a compliant work-from-home protocol. To date the Company has not reduced staffing and all employees remain engaged in a full-time capacity. The Company will continue to monitor these government-imposed protocols and adjust operations accordingly. NORTHBUD announces that effective immediately Sean Homuth, the Company's CEO, will be

taking a medical leave of absence from the Company. During his medical leave, Sean will unfortunately not be able to be involved with the Company. The Board has appointed Ryan Brown, Executive Chairman and a founder of the Company, as the Interim CEO and, effective immediately, Ryan will assume all of Sean's duties and responsibilities during his leave of absence.

"I would like to thank Sean for his efforts in helping the Company navigate these challenging times. The entire NORTHBUD family wishes him well during his leave for a speedy recovery, and we look forward to welcoming him back once he's returned to full health. We ask that everyone respect Sean's privacy during this time," stated Ryan Brown, Executive Chairman and Interim CEO of NORTHBUD. "As the founder and largest capital investor, I remain committed to the long-term success of NORTHBUD and will do my best to continue to drive the Company forward."

Quebec Cultivation Facility

Although cannabis producers have been deemed essential services under government initiatives, the permissible activities are limited to basic maintenance of existing operations. The Company was advised that hiring staff and commencing a new operation does not qualify. In addition, the Company understands that Health Canada has suspended, effective March 13, 2020, all new licence onboarding assistance services due to COVID-19 related re-structuring. The regulator has advised licensees that this service will return as prioritized by Health Canada but could not commit to a specific timeframe for the reinstatement of this crucial service. The Company received its standard cultivation licence on March 13, 2020 and its Canada Revenue Agency permit on April 20, 2020 and is therefore now permitted to receive starting materials and commence cultivation.

In light of these increased restrictions and reduced regulatory support, the Company will only begin full commercial-scale operations after social distancing restrictions are lifted and the necessary capital is secured. As an interim measure, the Company has modeled out multiple production scenarios based on a variety of potential societal normalization timeframes and

required capital deployment in an effort to maximize efficiencies while responsibly managing the Company's limited financial resources.

Onboarding a new facility of this scale requires significant capital, execution and co-ordination. Management will continue to monitor the government directives to ensure a successful startup of the Quebec facility within the financial and social restrictions that present themselves. "Our facility is located in a vulnerable area with a high concentration of at-risk citizens and limited medical services. The local authorities have been vigilant in monitoring travel and business activities in the area and the Company is committed to abiding by these restrictions and conducting our operations in a manner that respects these efforts and protects the health and safety of our community," said Ryan Brown, Executive Chairman and the Company's Interim CEO and CEO of GrowPros MMP Inc., the Company's licensed subsidiary.

U.S. Operations

The Company's U.S. subsidiary, Bonfire Brands USA ("**BBUSA**"), is pleased to announce that it has received its first payments under the previously announced (see press release dated April 15, 2020) master lease agreement for its California farm. This agreement is the first step to implementing BBUSA's asset light approach focused on a low capital expenditure distribution, branding and royalty model.

Over the past 4 months, BBUSA has worked diligently to try to build value in both its California and Nevada based projects. Due to limited resources and increasing liabilities, BBUSA intends to continue with the restructuring of its U.S. operations into a limited asset model that will see it focus on passive revenue streams and partnerships as opposed to investing directly into capital expenditures. The culmination of the master lease agreement for the Company's California farm, as previously announced, represents the first step towards accomplishing that goal. Management, in co-operation with the Board of NORTHBUD, has begun to evaluate proposals to reduce the Company's and BBUSA's capital requirements and liabilities, including but not limited to directors' and officers' liability insurance and continually increasing administrative costs associated with multi-jurisdictional operations. At the present time, the aforementioned items

related to U.S. operations represent the Company's single largest expense; the reduction of those costs, while maintaining revenue streams will result in the preservation of the long-term value of assets.

Management Cease Trade Order Update

The Company provides an update with respect to the previously announced management cease trade order (the "**MCTO**") issued by the Ontario Securities Commission on March 31, 2020.

The MCTO was issued in connection with the delay by the Company in filing its annual financial statements, management's discussion and analysis and related officer certifications for the financial year ended November 30, 2019 (collectively, the "**Required Filings**") before the prescribed deadline of March 30, 2020.

The Company continues to work closely with its auditor and expects to file the Required Filings before the end of May 2020.

The Company is providing this status update in accordance with National Policy 12-203 *Management Cease Trade Orders* ("**NP 12-203**"). The Company intends to follow the provisions of the Alternative Information Guidelines set out in NP 12-203, including the issuance of bi-weekly default status reports in the form of news releases, for as long as the Company remains in default. The Company confirms as of the date of this news release that there has been no material change in the information contained in the default announcement issued on March 13, 2020 and there is no other material information concerning the affairs of the Company that has not been generally disclosed.

Delayed Filing of Interim Disclosure Documents Pursuant to OSC Blanket Instrument 51-502

The Company announces that, in accordance with Ontario Instrument 51-502 *Temporary Exemption from Certain Corporate Finance Requirements* of the Ontario Securities Commission (the "**Blanket Exemption Order**"), which was adopted for the purpose of providing certain filing and other relief to issuers in light of the challenges posted by the COVID-19 pandemic, it will be delaying the filing and delivery of certain of its continuous disclosure documents.

The Company is relying on the Blanket Exemption Order in delaying (i) the filing of its interim financial statements and related management discussion and analysis for the three months ended February 29, 2020 (collectively, the “**Required Interim Filings**”) and (ii) compliance with the delivery requirements of applicable securities laws relating to the Required Interim Filings. The officers and directors of the Company and certain other persons will remain subject to a trading black-out pursuant to which such persons are prohibited from trading in any securities of the Company until the end of the second full trading day following the day on which the Required Interim Filings are filed on SEDAR and a corresponding news release is issued by the Company.

Other than as disclosed in the Company's press releases, there have not been any material business developments since the date that the last financial statements of the Company were filed.

About North Bud Farms Inc.

NORTHBUD owns and operates, through its subsidiaries, licensed cannabis facilities in Canada, California and Nevada. Bonfire Brands USA, the Company's U.S. subsidiary, acquired cannabis production facilities in Salinas, California and Reno, Nevada in late 2019. The Salinas, California 11-acre farm is actively cultivating cannabis in its 60,000 sq. ft. of licensed greenhouse production space. The Reno, Nevada facility, located on 3.2 acres of land, was acquired through the acquisition of Nevada Botanical Science, Inc., and includes a world-class cannabis production, research and development facility with 5,000 sq. ft. of indoor cultivation space which holds medical and adult-use licenses for cultivation, extraction and distribution. Through its Canadian subsidiary, GrowPros MMP Inc., the Company built and owns a state-of-the-art purpose-built cannabis production facility located on 135 acres of agricultural land in Low, Quebec, Canada. The Low, Quebec facility currently has 24,500 sq. ft. of licensed indoor cultivation space; the Company expects to submit its licence application to Health Canada for an additional 1,000,000 sq. ft. of outdoor cultivation space in the near future.

For more information visit: www.northbud.com

Neither 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 and information included in this press release that, to the extent they are not historical fact, constitute forward-looking information or statements (collectively, “forward-looking statements”) within the meaning of applicable securities legislation. Forward-looking statements, include but are not limited to 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.

Forward-looking statements, including but not limited to, those regarding the timing of the Company’s filing of its year-end and quarterly financial statements, U.S. and Canadian strategies, the success of the Company’s licence application with Health Canada, the Company’s ability to execute its strategic plan, conditions in the cannabis market, the Company entering agreements in connection with the B2B supply of cannabis and the Company’s transition into a revenue-generating operational phase of development are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the risk factors included in the Company’s final long form prospectus dated August 21, 2018, which is available under the Company’s SEDAR profile at www.sedar.com. Accordingly, readers should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to

assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking statements to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws. This news release does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company.

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