



North Bud Farms Enters U.S. Market with the Signing of the Definitive Agreement to Acquire Nevada Botanical Science Located in Reno, Nevada

Toronto, Ontario, November 19, 2019 (GLOBE NEWSWIRE) – North Bud Farms Inc. (CSE: NBUD) (OTCQB: NOBDF) ("NORTHBUD" or the "Company") is pleased to announce that Bonfire Brands USA, a wholly owned subsidiary of NORTHBUD, has signed a definitive asset purchase agreement to acquire all assets of Nevada Botanical Science, Inc. ("NBS") (see June 25, 2019 press release) in a transaction valued at USD\$7.5 million.

Nevada Botanical Science (NBS) is located in Reno, Nevada. NBS holds Nevada State medical and adult use licenses for cultivation, extraction and distribution. NBS operates an integrated cannabis operation 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 has been approved for expansion of up to 60,000 sq. ft of greenhouse space. The property also includes an operating extraction facility and licensed and approved commercial kitchen. This infrastructure is capable of manufacturing and bottling beverages and edibles and is currently used by NBS for both white label and branded product manufacturing. Operated by healthcare professionals, NBS has been primarily focused on the Nevada State medical cannabis market. NBS currently manufactures and sells award winning (Jack Herer Cup 2018) topical pain creams, balms and lotions under the Trichomic medical brand.

This past year NBS launched a trial release of cannabis infused cocktails under the brand "Happiest Hour". Collaborating with local craft beverage manufactures NBS released a variety of beverages including Margarita, Pina Colada, Bloody Mary, Long Island Ice Tea and Lemonade to select retailers in the state. To date retailer adoption and reordering has been 100% and based on customer feedback, NBS will increase production and distribution including additional retailers in Las Vegas in 2020. NBS has also finished a successful trial launch of its energy shot 1oz beverage containing 25mg of THC and 50mg of Caffeine. The Company plans to run a second branded trial in early 2020. Over the past three months NBS and NORTHBUD have been working together in preparation for the release of NORTHBUD branded dried flower products in Q4 2019 and a variety of infused and non-infused pre rolls.

“Subject to the finalizing of the previously announced acquisition of the Qlora Group in California, the Company plans to establish a unified product manufacturing and distribution platform within these two important states,” said Justin Braune, President of Bonfire Brands USA. “The license classes in California and Nevada allow for identical activities and the Company has been in negotiation with multiple potential JV partners who wish to leverage this unique platform. Being one of the few multi state operators with operations in both states will allow us to offer turnkey solutions to prospective partners moving forward.”

Transaction Terms

The transaction (the “Transaction”) is structured as an asset purchase agreement whereby in exchange for the purchase of all of the securities and assets of NBS, NORTHBUD is paying a total of USD\$7,500,000 as follows:

- Cash payment of USD\$500,000 (paid in full);
- Approximately USD\$1 million in convertible shares of Bonfire Brands USA (6,500,000 “convertible shares”); and
- A USD\$6,000,000 interest bearing promissory note.

The convertible shares may be exchanged on a 1-1 basis with common shares of NBUD at the discretion of the shareholder. At the time of signing, the converted value of these securities was equal to USD\$1,000,000. All applicable U.S. and Canadian regulatory holds shall apply upon conversion.

As per the terms of the agreement NBS will allocate pro rated ownership of assets in NBS and all associated licenses to Bonfire Brands USA throughout the re-payment period, subject to state approval.

Bonfire Brands and NBS have agreed to an operations and management arrangement allowing Bonfire to assume operational control, begin integration and driving revenue immediately.

“The NORTHBUD and Bonfire Brands USA team are extremely proud to have finalized this agreement making the state of Nevada our strategic entry point into the U.S. legal cannabis market,” said Ryan Brown, CEO of NORTHBUD. “We are equally proud of the structure of the deal and how it minimizes shareholder dilution while allowing our team to begin integration and operations with a focus on immediate revenue growth in one of the most sought-after adult use markets in North America. Our team has been looking at acquisitions in Nevada for over two years before finding the right fit. The Nevada market is considered one of the largest and most profitable in North America with recreational sales of USD\$580 million in the first full year of legalization* (2017 Nevada Dept. of Taxation).”

The securities of the Company 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. Accordingly, the securities of the Company may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Transaction is a significant acquisition but will not result in a “Fundamental Change” pursuant to the policies of the CSE. NORTHBUD will be preparing the necessary corporate and securities filings in order to secure the required approvals for the Transaction.

The parties have agreed to pay USD\$187,500 in broker/finder fees to arm’s length parties on a prorated basis 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.

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

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 has built a state-of-the-art purpose-built cannabis production facility located on 135 acres of Agricultural Land in Low, Quebec, Canada. NORTHBUD through its wholly owned U.S. subsidiary, Bonfire Brands USA has acquired Nevada Botanical Science, Inc. a world class cannabis production, research and development facility with 5,000 sq. ft. of indoor cultivation in Reno's Washoe County. Nevada Botanical Science holds medical and adult use licenses for cultivation, extraction and distribution. Bonfire Brands USA has entered into an agreement to acquire assets in Salinas, California.

For more information visit: 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 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, 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. This press release contains forward- looking statements including those relating to the entering into of the Definitive Agreement and closing of the Transaction with Nevada Botanical Science, Inc. Forward-looking statements 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.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

North Bud Farms Inc.
Edward Miller
VP, IR & Communications
Office: (855) 628-3420 ext. 3
investors@northbud.com

