



For Immediate Release

News Release

May 8, 2024

HERBAL DISPATCH ANNOUNCES FIRST CLOSING OF EQUITY PRIVATE PLACEMENT & BOARD CHANGE

Vancouver, B.C. – Herbal Dispatch Inc. (**CSE: HERB**) (“**Herbal Dispatch**” or the “**Company**”) is pleased to announce that it has closed a first tranche of its previously announced non-brokered private placement financing (the “**Private Placement**”). Pursuant to the Private Placement, the Company issued 8,153,000 units (each a “**Unit**”), with each Unit being issued at a deemed price of CAD\$0.05, for aggregate proceeds of CAD\$407,650.

Each Unit consists of one common share (“**Common Share**”), and one Common Share purchase warrant (a “**Warrant**”), each Warrant entitling the holder thereof to acquire one Common Share for a period of two years at an exercise price of CAD\$0.06 per Common Share.

Proceeds from the Private Placement will be used for working capital in support of the Company’s growth. The Company may complete an additional closing of the above Private Placement, subject to the approval of the Canadian Securities Exchange (“**CSE**”).

The securities issued under the Private Placement are subject to a statutory hold period of four months from the date of issuance under Canadian Securities laws.

BOARD CHANGE

The Company also announces that effective May 8, 2024, Jeremy South has resigned as a Director and Chairman of the Company. The Company is grateful to Mr. South for his contribution throughout the years and wishes him all the best in his future endeavors. The Honourable Herb Dhaliwal, a Director the Company, has agreed to be appointed as interim Chairman of the Company until a permanent successor is appointed.

Related Party Transaction

Philip Campbell, Chief Executive Officer, Jason Vandenberg, Chief Financial Officer, and Herb Dhaliwal, Director, subscribed for an aggregate of 4,453,000 Units, representing approximately 22.27% of the total Units permitted to be subscribed for under the Private Placement, as previously announced on March 20, 2024. As insiders, each of Messrs. Campbell, Vandenberg, and Dhaliwal, are a “related party” of the Company, as such term is defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). Accordingly, the Placement is a related party transaction pursuant to MI 61-101. Under Section 5.4 and 5.6, the Company is required to obtain a formal valuation and minority shareholder approval for the Placement, respectively, unless exemptions are available.



The Company is relying on the exemptions from the formal valuation requirement and the minority shareholder approval requirement under Sections 5.5(a) and 5.7(1)(a), as at the time the transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Private Placement, insofar as it involves interested parties, exceeds 25 per cent of the Company's market capitalization.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement because the details of the participation therein by related parties of the Company were not settled until shortly prior to the closing of the Private Placement and the Company wished to close on an expedited basis for business reasons.

ABOUT HERBAL DISPATCH INC.

The Company owns and operates leading cannabis e-commerce platforms and is dedicated to providing top quality cannabis to informed consumers at affordable pricing. The Company's flagship cannabis marketplace, *herbaldispatch.com*, is a trusted source for exclusive access to small-batch craft cannabis flower and a wide-array of other product formats. The Company's common shares trade on the Canadian Securities Exchange under the symbol "HERB"

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

Certain statements in this news release, including statements or information containing terminology such as "anticipate", "believe", "intend", "expect", "estimate", "may", "could", "will", and similar expressions constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that the Company or a third party expect or anticipate will or may occur in the future, including the Company's future growth, results of operations, performance, and business prospects and opportunities are forward-looking statements. These forward-looking statements reflect the Company's current beliefs and are based on information currently available to the Company. These statements require the Company to make assumptions it believes are reasonable and are subject to inherent risks and uncertainties.

Actual results and developments may differ materially from the anticipated results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond the Company's control. These risk factors are interdependent and the impact of any one risk or uncertainty on a particular forward-looking statement is not determinable.



Consequently, all of the forward-looking statements made in this news release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected effects on the Company. These forward-looking statements are made as of the date of this news release. Except as required by applicable securities legislation, the Company assumes no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

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