

Canbud Distribution Enters Psychedelics Market To Expand On Health And Wellness Theme

Toronto, Ontario--(Newsfile Corp. - December 7, 2020) - Canbud Distribution Corp. (CSE: CBDX) (FSE: CD0) ("Canbud" or the "Company"). Canbud has entered into a definitive agreement dated Dec 4, 2020, pursuant to which it will acquire 100 per cent of the issued and outstanding securities of 2688453 Ontario Ltd.

Through this opportunistic acquisition, Canbud has secured an approved 2-acre psilocybin production site near Negril, Jamaica with an allowance for expansion up to 20 acres. The acquisition also includes plans to complete up to a 40,000 sq.ft. facility for the cultivation and operations areas. Management intends to maximize the full benefit of this acquisition through a strategic multi-phase business model. Additionally, given the ideal location of the facility, Canbud has plans to build an exclusive retreat (anticipated timeframe for retreat build-out is 12 to 18 months), which promotes mental wellness through workshops and specially formulated micro doses of psilocybin.

The acquisition provides an opportunity for high-quality operations in a low-cost environment serving local and export markets. In Jamaica, the prospect includes the exportation of psychedelic products to other legal jurisdictions like Brazil, the Netherlands and other markets as they open up.

Steve Singh, CEO of Canbud, comments, "This acquisition represents an accretive business opportunity under the ever-expanding health and wellness banner. Operating in a favourable jurisdiction like Jamaica will allow us to serve the export markets giving us a first mover advantage in the psychedelic space. We believe in the strong potential for a robust, legal psychedelic and nutraceutical industry to emerge globally and expect that the psychedelic market, including consumer perception, will undergo a paradigm shift as witnessed in the global cannabis industry. According to Research and Markets, the global nutraceutical industry is estimated to grow to US\$ 722 billion by 2027

(<https://www.businesswire.com/news/home/20200520005477/en/722-Billion-Nutraceutical-Market-Size-and-Share-Breakdown-by-Product-and-Region---ResearchAndMarkets.com>) and the market for medicinal mushrooms within the nutraceutical industry will continue to evolve and develop. We anticipate that this will transition into a near term source of revenue for the Company. Recent global trends indicate that psychedelics are emerging as legal alternative candidates for conventional therapies for individuals suffering from maladies like PTSD, addiction and depression."

The acquisition of 2688453 Ontario Ltd. is the first major step undertaken by the Company within this emerging sector towards advancing psychedelic pharmaceutical and non-psychedelic nutraceutical-based products. Additionally, the Company plans to undertake and support clinical studies through strategic academic and institutional partnerships and plans to launch psilocybin-based products in jurisdictions where permissible.

Pursuant to the agreement, Canbud will acquire 100 per cent of the issued and outstanding shares in the capital of 2688453 Ontario Ltd. in exchange for 7,600,000 common shares in the capital of the company at a deemed price per share equal to 19.5 cents. This is an arm's-length transaction and a finder's fee of 760,000 common shares is being paid.

The closing of the acquisition is subject to customary terms, conditions, and regulatory approval.

About Canbud Distribution Corp.

Canbud Distribution Corp is a science and technology company focused on both the global hemp markets inclusive of hemp cannabinoids (CBD) and psychedelic pharmaceutical and non-psychedelic nutraceutical verticals. Currently the company, through its subsidiaries, holds three industrial hemp

licences for the purposes of supplying the global market with medicinal and wellness cannabidiol and other cannabinoid-based products.

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