

# Canbud Distribution Corporation Completes Acquisition of Molecular Science Corp.

Toronto, Ontario--(Newsfile Corp. - July 8, 2021) - Canbud Distribution Corporation (**CSE: CBDX**) ("**Canbud**" or the "**Corporation**") is pleased to announce that it has completed its previously announced acquisition (the "**Acquisition**") of Molecular Science Corp. ("**MSC**").

The Acquisition was completed by way of a "three-cornered" amalgamation, whereby a newly-formed wholly-owned subsidiary of the Corporation amalgamated with MSC under the *Business Corporations Act* (Ontario) to form MSC Corp., a wholly-owned subsidiary of the Corporation. In connection with the Acquisition, the Corporation issued an aggregate of 68,212,896 common shares (the "**Canbud Shares**") of the Corporation to the former shareholders of MSC on the basis (the "**Exchange Basis**") of approximately 3.313 Canbud Shares for each MSC common share (each, an "**MSC Share**") outstanding, representing approximately 43.7% of the issued and outstanding Canbud Shares. All outstanding common share purchase warrants of MSC were replaced with common share purchase warrants of the Corporation, entitling the holders thereof to purchase an aggregate of up to 3,958,800 Canbud Shares for a purchase price of \$0.30 per share until July 8, 2024. In connection with the completion of the Acquisition, the Corporation also issued 1,765,000 Canbud Shares as an advisory fee.

The Canbud Shares issued to the former shareholders of MSC are subject to resale restrictions, such that the holders thereof are permitted to trade 25% of such Canbud Shares on the date that is four months from July 8, 2021 and a further 25% of such Canbud Shares on the dates that are seven, 10 and 13 months after July 8, 2021. All of the Canbud Shares issued with respect to the advisory fee are subject to a hold period of four months plus a day from the date of issuance under applicable securities law.

All shareholders of MSC of record immediately prior to the completion of the Acquisition are entitled to receive Canbud Shares in exchange for their MSC Shares on the basis of the Exchange Basis and do not need to take any action with respect to the completion of the Acquisition. Canbud's transfer agent, Capital Transfer Agency ULC, will send the former holders of MSC Shares DRS advice letters in lieu of a share certificate, which will represent the number of Canbud Shares to be received as a result of the completion of the Acquisition. Such DRS advice letters will reflect the resale restrictions noted above. All outstanding MSC Share certificates are automatically cancelled and null and void as a result of the completion of the Acquisition and the exchange of the MSC Shares for Canbud Shares.

Steve Singh, Chief Executive Officer of the Corporation notes, "We are excited to conclude this transaction, as we continue to build and expand our company through strategic acquisitions. Analytical testing is a key "picks and shovels" type component within the cannabis and emerging psychedelic sector. More importantly, we have witnessed increased calls for regulations mandating third-party independent testing which protects all key stakeholders especially consumers. MSC's services are a key part of the regulatory supply chain, and we look forward to continued growth of its service offerings as we drive top-line growth. Last but not least, we welcome the MSC staff to the Canbud family."

On closing of the Acquisition, all directors and officers of MSC then in office resigned from their positions with MSC, other than Mauro Aiello and Sherry Farsami, who will continue as the Interim CEO and Director of Quality Assurance, respectively, of the amalgamated entity.

## About Canbud Distribution Corp.

Canbud is a science and technology health and wellness company carrying on business in the plant based, psychedelic pharmaceutical and non-psychedelic nutraceutical, and hemp cannabinoid (CBD) vertical markets. With the completion of the Acquisition, Canbud will carry on the analytical science and

services business of MSC, involving the testing cannabis and related pharmaceutical products primarily at its laboratory facilities in Scarborough, Ontario and pursuant to an analytical testing license issued by Health Canada under the *Cannabis Act*.

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*The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward-looking statements. Forward-looking statements in this news release include, but are not limited to the Corporation's business and the industry and markets in which it operates. These statements are based upon assumptions that are subject to significant risks and uncertainties, including assumptions about the operations, financial condition and future performance of the Corporation. Although the Corporation considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect, and the forward-looking statements in this news release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Although the Corporation's management believes that the expectations reflected in forward-looking statements are reasonable, the Corporation can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, the Corporation disclaims any intention and assume no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise*

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