

# Canbud Enters into Memorandum of Understanding for Psilocybin Producing Mushroom Research and Development

Toronto, Ontario--(Newsfile Corp. - September 14, 2021) - Canbud Distribution Corp. (CSE: CBDX) (FSE: CD0) (the "**Corporation**" or "**Canbud**") is pleased to announce that on September 3, 2021 it has entered into a memorandum of understanding (the "**MOU**") with the College of Agriculture, Science and Education ("**CASE**"), establishing a business and research and development ("**R&D**") relationship between the parties. CASE is a tertiary educational institution located in Port Antonio, Jamaica, with a tripartite mandate of teaching, research, and outreach.

Under the terms of the MOU, Canbud and CASE formed a commercial relationship focused on the research and development of healing practices facilitated by psilocybin producing mushrooms, and the manufacture of consumer products from psilocybin mushrooms for health benefits. The MOU includes, among other things, provisions to reflect the following key agreements and understandings between the parties:

- The term of the MOU commenced on September 3, 2021 and ends on August 22, 2022.
- During the term Canbud will lease its existing mobile commercial facility to CASE at no cost for use in an R&D capacity and for commercial production, based on terms to be agreed separately.
- Canbud will provide to CASE up to \$10,000 of funding for a mutually approved R&D program intended to evaluate the potential uses of psilocybin and other psychedelic properties within mushrooms. Any results of these research will be made available to Canbud for its exclusive use.
- If and when CASE commences commercial production, the parties intend to negotiate and enter into a separate agreement, which would provide, among other things, that Canbud would have right of first refusal to acquire any commercial production, and at least 50% of commercial production would be purchased by Canbud on agreed terms. CASE would have the ability to sell any production not purchased by Canbud, with economics to be shared by CASE and Canbud on terms to be agreed by the parties.
- The respective ownership rights to any intellectual property are to be agreed by the parties prior to any commercialization or monetization of these rights.
- CASE would seek to acquire all the necessary research licenses to facilitate the exportation of mushrooms to both Canada and the United States of America once commercial production plans are finalized, subject to applicable laws.
- CASE will manage and operate the research laboratory.

Steve Singh, CEO of Canbud, notes "We are extremely pleased to enter into research partnership with CASE that is intended to help enable Canbud to undertake a scientific approach to understanding the medicinal properties of specific mushrooms and potentially replicate the cultivation of those spores on a commercial scale in the future."

## 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.

## Notice Regarding Forward-Looking Information

*Certain statements in this news release related to the Corporation are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of*

*forward- looking words such as "may", "should", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the future operations of the Corporation, the perceived opportunities in the psilocybin-based medical and nutraceutical markets globally, the potential to launch mushroom-based and psilocybin-containing products within enabling current and anticipated legal frameworks globally, the success of the joint R&D efforts of the Corporation and CASE, the benefits of the MOU, the intention to enter into subsequent agreements and commercial arrangements, any future commercial production, and the obtaining of all such licences, registrations and consents as may be required from regulatory and governmental authorities regulating to the products and activities referred to in this news release. There are numerous risks and uncertainties that could cause actual results and the Corporation's plans and objectives to differ materially from those expressed in the forward-looking information. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Corporation does not intend to update these forward-looking statements. The Corporation makes no medical, treatment or health benefit claims about the Corporation's proposed products.*

*Health Canada, the U.S. Food and Drug Administration, or other similar regulatory authorities have not evaluated claims regarding psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceutical products. The efficacy of such products have not been confirmed by approved research. There is no assurance that the use of psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceuticals can diagnose, treat, cure or prevent any disease or condition. Vigorous scientific research and clinical trials are needed. The Corporation has not conducted clinical trials for the use of its proposed products. If the Corporation cannot obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Corporation's performance and operations.*

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