

Canbud Distribution Corp. Announces Update on Pending Acquisition of Steep Hill, Inc.

Canbud also announces resignation of officer

Toronto, Ontario--(Newsfile Corp. - January 10, 2022) - Canbud Distribution Corp. (CSE: CBDX) ("**Canbud**" or the "**Company**") is pleased to provide the following updates on its pending acquisition of Steep Hill, Inc. ("**Steep Hill**"), a cannabis science company in the business of providing lab testing, research and development, and consulting services in in the United States and elsewhere in the world.

As previously announced, on December 8, 2021, Canbud and its wholly-owned subsidiary, Canbud Merger Sub, Inc., entered into an agreement and plan of merger and reorganization agreement (the "**Merger Agreement**") with Steep Hill, pursuant to which Canbud agreed to acquire all of the outstanding shares of Steep Hill by way of a triangular merger (the "**Transaction**"). In connection with the Transaction, Canbud announces that Steep Hill's management has confirmed that the requisite majority of the shareholders of Steep Hill have approved and adopted the Transaction by written consent in lieu of taking such action at a formal special meeting of shareholders, in accordance with Delaware law. Steep Hill has also confirmed that it has been notified by the requisite number of holders of the outstanding Senior Notes and Subordinated Notes (collectively, the "**Notes**") of Steep Hill that they have elected to convert and cause the conversion of all outstanding principal and accrued and unpaid interest owing under all of the outstanding Notes into shares of Steep Hill. Such shareholder approval of the Transaction and the conversion of the Notes are conditions precedent to the consummation of the Transaction.

The consummation of the Transaction remains subject to a number of other conditions, including, without limitation, the conditions summarized in Canbud's news release of December 8, 2021 (a copy of which is available under Canbud's profile on www.sedar.com).

Steve Singh, Chief Executive Officer of Canbud stated: "We would like to thank Steep Hill's shareholders and Note holders for their support of the Transaction. Canbud remains committed to closing the Transaction in the coming weeks, subject to the satisfaction of the remaining conditions and usual closing items provided for in the Merger Agreement."

Sameet Kanade, Chief Executive Officer of Canbud's subsidiary, Molecular Science Corp. ("**MSC**") added: "The past six months have been pivotal as Canbud re-positioned its business to focus on analytical testing within the cannabis and hemp market sectors. Canbud's management is now developing an integration plan to achieve the overriding strategic and business objectives of the pending Steep Hill acquisition. Through the Transaction and the post-closing integration plan, Canbud aims to generate value for its shareholders, by operating MSC's Canadian analytical testing business and Steep Hill's complementary U.S. and international business to take advantage of available synergies and cost saving, growth and expansion opportunities."

Canbud also announces that Robert Tjandra, its former director and President, has resigned from his most recent position as Canbud's Chief Operating Officer. In connection with Mr. Tjandra's resignation, Steve Singh, Chief Executive Officer of Canbud commented: "As Canbud continues to execute its strategy to focus primarily on the analytical testing service market within the cannabis and hemp sectors, we understand Robert's decision to step down as an officer at this time. He is one of the founders of Canbud and has worked tirelessly to further the Company's business from its inception. On behalf of Canbud's board of directors, I thank Robert for his many contributions to Canbud and wish him all the best going forward."

About Canbud Distribution Corp.

Canbud is an early-stage science and technology company focused on providing products and services,

including analytical testing services within the hemp and cannabis market sectors. The Company's focus is on two areas: science and technology, by providing science-backed differentiated products and services that are critical within these sectors; and quality and compliance, by offering services that assist its customers to offer products and services that meet expected standards of quality, safety and compliance.

Notice Regarding Forward-Looking Information

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, management's expectations with respect to the completion of the Transaction, including the timing and satisfaction of conditions thereof, and the post-closing integration plan and the strategic and business objectives of the pending Transaction. These statements are based upon assumptions that are subject to significant risks and uncertainties, including assumptions that all conditions to closing of the Transaction will be satisfied, that the Transaction will be completed and assumptions about the operations, financial condition and future performance of Steep Hill and the Company. Although the Company 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. Such risk factors may include, among others, the risk that required approvals and the satisfaction of material conditions have not been obtained in connection with the Transaction, and the risk that the Transaction is not approved or completed on the terms set out in the definitive agreement between the parties, and that its post-closing integration plans do not achieve its goals, including realizing synergies and cost saving, growth and expansion opportunities. Although the Company's management believes that the expectations reflected in forward looking statements are reasonable, the Company can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, the Company 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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