



SUGARBUD SECURES \$17.65 MILLION NON-DILUTIVE CREDIT FACILITY WITH FARM CREDIT CANADA TO FUND CANNABIS OPERATIONS

TSX-Venture Exchange: **RRL**

CALGARY, ALBERTA, September 5, 2018 – SugarBud Craft Growers Corp. (trading as Relentless Resources Ltd.) (“**SugarBud**” or the “**Company**”) is pleased to announce that it has entered into a commitment letter with Farm Credit Canada (“**FCC**”) for a credit facility in the amount of \$17.65 million (the “**Facility**”) to fund an aeroponic cannabis cultivation facility at Stavely, Alberta (the “**Project**”) and is in advanced negotiations with another Canadian financial institution for a revolving working capital credit facility in the amount of \$2.0 million (the “**Revolver**”) and syndication of the Facility.

Credit Facilities

FCC is a self-sustaining federal Crown corporation that reports to Parliament through the Minister of Agriculture and Agri-Food. FCC has over 1,800 employees, 100 offices across rural Canada and a \$33 billion loan portfolio.

The Facility will be transformational to SugarBud and its ability to execute on its business plan. Under the commitment letter, FCC has agreed to provide the senior secured Facility on the following principal terms:

Facility Tranche	Amount (\$ CAD)	Amortization (Years)	Interest Rate	Purpose
1	\$11,650,000	10	Option of either: (i) variable interest rate linked to Prime Rate Open; or (ii) Closed Fixed rate ranging from 1 year to 10 years at current market rates	Stavely, Alberta Phase 1 Cannabis Cultivation Facility
2	\$6,000,000	10	Option of either: (i) variable interest rate linked to Prime Rate Open; or (ii) Closed Fixed rate ranging from 1 year to 10 years at current market rates	Construction Cost Overruns (if Applicable), Contingencies and/or Future Capital Projects

The Facility and advances thereunder will be conditional upon, among other things, syndication of the Facility with another Canadian financial institution (who will lead the syndicate and fund approximately \$8.0 million of the Facility), and SugarBud receiving requisite Health Canada licenses.

In addition to the above, SugarBud is in advanced negotiations with a Canadian financial institution for the Revolver in the amount of \$2.0 million and syndication of the Facility.

The Facility and Revolver will be used to fund an aeroponic cannabis cultivation facility at Stavely, Alberta, which is currently under construction. Key specifications of the Project are as follows:

Phase (#)	Layers of Flowering Canopy (#)	Flowering Canopy (Square Feet)	Estimated Capital Cost (Millions)	Estimated Annual Dried Cannabis Flower Production (Kgs)
1	3	~34,000	~\$14.0	~8,000
2	3	~51,000	~\$17.2	~12,000
Total	N/A	~85,000	~\$31.2	~20,000

Including the Facility and the Revolver, SugarBud will have access to \$19.65 million of credit facilities in addition to its current working capital of approximately \$3.5 million and the proceeds from its previously announced rights offering which, if fully subscribed, will result in proceeds of \$7.4 million. SugarBud is also pursuing equipment financing and other sources of non-dilutive capital with respect to certain components of the Project.

Mr. Craig Kolochuk, SugarBud's President and Chief Executive Officer, stated: "Our ability to attract world class capital partners such as Farm Credit Canada speaks to our unique hybrid oil and gas and cannabis business model and the strength of our team. Looking back over the past five months, SugarBud has selected a top team, entered into an amalgamation agreement with a late stage ACMPR applicant, developed a high impact business plan (which includes the development of an innovative multi-layered aeroponic cannabis cultivation facility at Stavely Alberta) and achieved a path to retail distribution through its strategic alliance with Inner Spirit Holdings Ltd. We have now reduced our cost of capital to a level competitive with much larger cannabis peers and funded a large-scale, state-of-the-art cannabis cultivation facility. We are now focused on managing the construction of the Project to ensure that we come on-time and on-budget, obtaining our cultivation license from Health Canada and securing additional retail distribution agreements."

About SugarBud Craft Growers Corp.

SugarBud is a Calgary based emerging cannabis and oil and natural gas company engaged in the development, acquisition and production of cannabis and natural gas and crude oil reserves in Alberta.

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Forward Looking and Cautionary Statements

This news release may include forward-looking statements including opinions, assumptions, estimates, the Company's assessment of future plans and operations, and, more particularly, statements concerning the Facility, a definitive loan agreement in respect thereto and the terms thereof, including interest rates, the Revolver, the availability of future borrowings, the Rights Offering and potential proceeds therefrom and the Project. When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by the Company which include, but are not limited to, the timing of the receipt of the required regulatory and third party approvals. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to: regulatory and third party approvals, including receipt of cultivation and sales licenses from Health Canada and TSX-V approval of the Company's change of business, not being obtained in the manner or timing anticipated; the ability to implement corporate strategies; the state of domestic capital markets; the ability to obtain financing; changes in general market conditions; industry conditions and events; the size of the medical marijuana market and the recreational marijuana market; government regulations, including future legislative and regulatory developments involving medical and recreational marijuana; construction delays; competition from other industry participants; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities. Please refer to SugarBud's annual information form for the year ended December 31, 2017 (the "AIF") for additional risk factors relating to the Company. The AIF can be accessed under the Company's profile on www.sedar.com.

Except as required by applicable laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

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