



SUGARBUD SECURES \$25 MILLION EQUITY FACILITY WITH ALUMINA PARTNERS LLC, APPOINTS BOB RICHARDSON AS VICE PRESIDENT, RETAIL & MARKETING AND INITIATES VERTICALLY INTEGRATED RETAIL DISTRIBUTION STRATEGY

TSX-Venture Exchange: **SUGR**

CALGARY, ALBERTA, November 13, 2018 – SugarBud Craft Growers Corp. ("**SugarBud**" or the "**Company**") is pleased to announce the execution of an investment agreement (the "**Agreement**") with Alumina Partners (Ontario) Ltd. ("**Alumina**"). Alumina is a subsidiary of Alumina Partners LLC, a leading institutional investor in the Canadian cannabis space. The Agreement allows SugarBud to draw down capital, on an as-needed basis and in its sole discretion, in a series of equity offerings of up to a total of \$25.0 million CAD over a twenty-four month period.

SugarBud is also pleased to announce that it has appointed Bob Richardson as Vice President, Retail & Marketing, and initiated a vertically integrated retail distribution strategy consisting of the acquisition, development and operation of premier retail cannabis stores in Canada (the "**Retail Strategy**").

Craig Kolochuk, President and Chief Executive Officer of SugarBud, stated: "We are building a lifestyle brand and are focused on providing the highest quality suite of cannabis products in Canada. Vertically integrating our retail operations will allow us to convey our values and beliefs to our customers, build relationships and set the standard for customer education and experience in the Canadian retail cannabis space. We are confident that the addition of Bob Richardson as Vice President, Retail & Marketing will help us to achieve these goals, as his experience in the Alberta controlled substance retail space is second to none."

Jeff Swainson, Chief Financial Officer of SugarBud, stated: "Alumina is one of the premier institutional cannabis investors in North America, and their support is a testament to SugarBud's past execution and our business plan moving forward. The Agreement allows SugarBud to pursue high-impact strategic initiatives, including our vertically integrated retail distribution strategy, while controlling the timing and pricing of draw-downs, limiting dilution and maintaining a low cost of capital."

"Alumina is excited to support SugarBud as they embark on the next stages of their growth, including an ambitious retail strategy," added Adi Nahmani, Managing Member of Alumina Partners. "The premium lifestyle brand demographic encompasses several of the highest-margin market opportunities in the Cannabis industry today. We look forward to watching SugarBud aggressively expand their footprint and continue to unlock shareholder value."

Alumina Partners Investment

Pursuant to the terms of the Agreement, Alumina has committed to purchase units of the Company, each unit consisting of one common share in the capital of the Company (a "**Common Share**") and one-half of one common share purchase warrant (each whole warrant a "**Warrant**"), with the amount and timing of each draw-down being determined by the mutual agreement of

the Company and Alumina. The unit price will be determined at the time of each draw-down at negotiated discounts ranging from 15% to 25% of the market price. The exercise price of the Warrants is expected to be at a 40% premium over the market price at time of issuance. Each whole warrant will entitle the holder to purchase one additional Common Share for a period of 36 months from the closing of the applicable draw-down. Closing of each draw-down will be subject to a number of conditions, including receipt of the approval of the TSX Venture Exchange (the “TSXV”).

Appointment of Bob Richardson as Vice President, Retail & Marketing

SugarBud continues to attract top talent to its team and is proud to have appointed Mr. Bob Richardson as Vice President, Retail & Marketing. Mr. Richardson will be responsible for the acquisition, design, development and operation of SugarBud’s retail locations.

Mr. Richardson has 25 years of experience in the Alberta retail liquor industry. Most recently, he was Vice President of Crowfoot Wines and Spirits (“**Crowfoot**”), where he was integral in building Crowfoot from inception to approximately 25 premier retail liquor locations. Mr. Richardson was responsible for: the identification, evaluation and acquisition of liquor store locations; the negotiation and execution of leases; the design, construction and renovation of liquor store locations; human resources initiatives; and the day-to-day operations of Crowfoot.

Mr. Richardson brings extensive knowledge of the rules and regulations of the Alberta Gaming, Liquor & Cannabis Commission (“**AGLC**”). Over the past 15 years, Mr. Richardson served as Director, Treasurer and Vice President of the Alberta Liquor Store Association (“**ALSA**”), making significant contributions to ALSA’s mandate to preserve and enhance the liquor retail model in Alberta. Mr. Richardson has developed strong relationships with key stakeholders in the AGLC and many other retail stakeholders Canada-wide.

“Bob Richardson is an entrepreneur and a builder who is able to recognize market trends and position organizations to capitalize on strategic initiatives,” stated Mr. Kolochuk. His extensive experience with the AGLC and his expansive network of producers, distributors and retailers in Canada will be invaluable to SugarBud. Bob will add significant value to our shareholders as we execute on our vertically integrated retail strategy and other critical mandates in the coming months.”

SugarBud’s Vertically Integrated Retail Distribution Strategy

SugarBud’s Retail Strategy is focused on the identification, development and operation of premier retail cannabis locations in Canada. SugarBud believes that the vertical integration of its retail operations will allow it to maintain margins and the highest level of control over SugarBud’s brand equity and strategy. SugarBud expects to execute its Retail Strategy by:

- Developing a compelling brand which clearly conveys SugarBud’s values;
- Accessing SugarBud’s hand-crafted, select-batch, ultra-premium products (upon the receipt of SugarBud’s cultivation and sales licenses);
- Using its extensive knowledge of the Alberta controlled substances retail market and network of beverage manufacturing and distribution contacts;
- Taking a data-driven approach to decisions related to consumer purchasing habits;
- Leveraging existing relationships with landlords, municipalities and regulators; and
- Applying SugarBud’s significant retail operational expertise including store sizing, site development, inventory management, staffing, training and branding.

SugarBud's initial Retail Strategy is to identify and secure ten retail cannabis locations over the next 12 months through a combination of grass-roots growth and the acquisition of existing locations and development permits.

Common Shares Issued for Services Performed

SugarBud also announces that it has agreed to issue an aggregate of 3,597,300 Common Shares to certain contractors, service providers and a director of the Company in satisfaction of amounts payable to such persons in the aggregate amount of \$359,700 CAD at a deemed price of \$0.10 per Common Share. The issuance of the Common Shares is subject to the approval of the TSXV. The Common Shares will be subject to a four-month hold period from the date of issuance.

About SugarBud Craft Growers Corp.

SugarBud is a Calgary based emerging cannabis company engaged in the development, acquisition, production and distribution of cannabis in Canada.

For further information regarding this news release, please contact:

Craig Kolochuk
President & Chief Executive Officer
SugarBud Craft Growers Corp.
Phone: (403) 875-5665
[E-mail: craigk@sugarbud.ca](mailto:craigk@sugarbud.ca)

Jeff Swainson
Chief Financial Officer
SugarBud Craft Growers Corp.
Phone: (403) 796-3640
[E-mail: jeffs@sugarbud.ca](mailto:jeffs@sugarbud.ca)

Investor Relations Contact

Gary Perkins, President
Tekkfund Capital Corp.
Tel: (416) 882-0020
[E-mail: garyperkins@rogers.com](mailto:garyperkins@rogers.com)

Website: <http://www.sugarbud.ca/>

Address: Suite 620, 634 - 6th Avenue S.W., Calgary, Alberta T2P 0S4

Telephone: 403-532-4466

Fax: 587-955-9668

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: SugarBud's proposed business plan and retail cannabis operations in Canada, including: its ability to secure retail locations in Alberta and develop a lifestyle brand and suite of cannabis products; the equity facility with Alumina Partners and proceeds to be raised pursuant thereto; and the issuance of Common Shares for services rendered. 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 timely receipt of all required TSXV 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, retail cannabis licenses from AGLC and municipal development permits 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 the Company's annual information form ("AIF") for the year ended December 31, 2017 and management's discussion and analysis ("MD&A") for the three and six months ended June 30, 2018 for additional risk factors relating to the Company. The AIF and MD&A 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.

Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.