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SUGARBUD CRAFT GROWERS CORP. PROVIDES UPDATE ON RIGHTS OFFERING FOR PROCEEDS OF UP TO \$7.4 MILLION

TSX-Venture Exchange: **RRL**

CALGARY, ALBERTA, July 23, 2018 – SugarBud Craft Growers Corp. (“**SugarBud**” or the “**Company**”) is pleased to announce that residents of Quebec will be eligible to participate in the previously announced rights offering (the “**Rights Offering**”) to the holders of common shares of SugarBud (“**SugarBud Shares**”) for proceeds of up to \$7.4 million.

The Rights Offering will be made in each of the provinces and territories of Canada, including Quebec (the “**Eligible Jurisdictions**”) and in such other jurisdictions where SugarBud is eligible to make such an offering. Details of the Rights Offering were provided in the Company’s news release dated May 31, 2018 and will be described in the rights offering notice (the “**Rights Offering Notice**”), which will be available in both English and French. The Rights Offering Notice will be mailed to shareholders in connection with the Rights Offering as soon as practicable following the August 8, 2018 record date (the “**Record Date**”).

Pursuant to the Rights Offering, each shareholder as of the Record Date will be issued one right (“**Right**”) for each SugarBud Share held on the Record Date, entitling the holder to purchase one unit of the Company (“**Unit**”) for every two Rights at a price of \$0.0675 per Unit. The Rights expire at 4:00 p.m. (Calgary time) on September 12, 2018 (the “**Expiry Date**”). Each Unit shall be comprised of one SugarBud Share and one-half of one SugarBud Share purchase warrant (“**Warrant**”). Each whole Warrant will entitle the holder to purchase one SugarBud Share at a price of \$0.10 until September 12, 2023.

As at July 23, 2018, the Company had 220,522,706 SugarBud Shares issued and outstanding. Assuming that no additional SugarBud Shares are issued prior to the Record Date, up to 110,261,353 Units will be subscribed for under the Rights Offering, comprised of up to 110,261,353 SugarBud Shares and up to 55,130,677 Warrants. The Company will raise gross proceeds of up to approximately \$7.4 million pursuant to the sale of Units under the Rights Offering and up to approximately an additional \$5.5 million pursuant to the exercise of Warrants under the Rights Offering.

The proceeds of the Rights Offering will be used to construct Phase 1 of the Company’s cannabis cultivation facility at Stavely, Alberta. Please see SugarBud’s corporate presentation at www.sugarbud.ca for details regarding its Stavely project.

Completion of the Rights Offering is subject to receiving all necessary regulatory approvals, including, but not limited to, approval from the TSXV.

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 Rights Offering and potential proceeds therefrom. 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 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; 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.

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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