



SUGARBUD ANNOUNCES RESULTS OF FULLY SUBSCRIBED RIGHTS OFFERING FOR PROCEEDS OF \$7.4 MILLION

TSX-Venture Exchange: **RRL**

CALGARY, ALBERTA, September 20, 2018 – SugarBud Craft Growers Corp. (“**SugarBud**” or the “**Company**”) (trading as Relentless Resources Ltd.) is pleased to announce the results of its rights offering (the “**Rights Offering**”) to holders (“**Shareholders**”) of common shares (“**Common Shares**”) of SugarBud. Under the Rights Offering, Shareholders subscribed for and purchased an aggregate of 110,261,353 units (each, a “**Unit**”) for total approximate proceeds of \$7.4 million, of which an aggregate of approximately \$1.5 million worth of Units was purchased by insiders, management, and key shareholders of the Company. Units were subscribed for at a price of \$0.0675 per Unit. Each Unit will consist of one Common Share and one half of one Common Share purchase warrant (a “**Warrant**”), with each whole Warrant entitling the holder thereof to purchase one Common Share at a price of \$0.10 until September 12, 2023.

Mr. Jeff Swainson, Chief Financial Officer of SugarBud stated: “This highly successful Rights Offering for proceeds of \$7.4 million demonstrates the continued support provided by SugarBud’s shareholders, and the belief that they have in our hybrid business model. We previously announced a \$17.65 million non-dilutive credit facility with Farm Credit Canada and we have now achieved a significant equity investment led by our devoted insider group and new institutional shareholders. Under a full development we will have the luxury of an appropriate capital structure and a very low cost of capital, and at this stage we do not require any further dilution. In addition to our successful financings, which demonstrate strong access to capital, we are moving diligently to finalize Change of Business, to close the Grunewahl acquisition, and to close the second tranche of the Inner Spirit investment. Perhaps most importantly, we continue to execute on the construction of Phase 1 of our 29,800 square foot Stavely, Alberta aeroponic cannabis cultivation facility, which is currently progressing on-time and on-budget.”

The Company also announces that it continues to work diligently with the TSX Venture Exchange (“**TSXV**”) to obtain approval in respect of a series of transactions (the “**Transactions**”) that will collectively constitute a “Change of Business” of the Company from an exclusively oil and gas company to an emerging cannabis and oil and gas company. The Transactions include, without limitation: (i) the completion of the Rights Offering; (ii) the acquisition (the “**Acquisition**”) of Grunewahl Organics Inc. (“**Grunewahl**”); (iii) the second tranche of a strategic investment with Inner Spirit Holdings Ltd. (“**Inner Spirit**”); (iv) the entering into of a strategic alliance agreement with Inner Spirit that will govern the on-going business relationship of the parties; and (v) the appointment of Darren Bondar, Chief Executive Officer of Inner Spirit, as a director of SugarBud.

Grunewahl is a late stage applicant under Health Canada’s Access to Cannabis for Medical Purposes Regulations (“**ACMPR**”). The Grunewahl Acquisition will not close until the Company receives approval of “Change of Business” from the TSXV and current shareholders of Grunewahl will not receive their SugarBud Common Shares until the Acquisition closes.

Closing of the Transactions (including the Rights Offering) is subject to a number of conditions including, but not limited to: TSXV approval of the Change of Business; approval of the Transactions by greater than

50.1% of Shareholders by written consent (which has been achieved); and closing conditions customary to transactions of the nature of the Transactions. The Acquisition was approved by Grunewahl's shareholders at a special meeting held on September 11, 2018.

The Rights Offering will result in the issuance of 110,261,353 Common Shares and 55,130,677 Warrants underlying the Units, following which the Company will have 330,784,059 Common Shares and 146,001,083 Warrants outstanding. No Units will be issued in connection with the Rights Offering.

The Company is unable to determine when Shareholders will receive their Common Shares and Warrants issued as a result of their participation in the Rights Offering.

Upon completion of the Transactions, the Company intends to use the proceeds of the Rights Offering to fund an aeroponic cannabis cultivation facility at Stavely, Alberta, which is currently under construction.

Upon completion of the Transactions, the Company intends to be listed on the TSXV as a Tier 2 Life Sciences Issuer. Trading in the common shares of the Company is expected to commence on the TSXV under the name "SugarBud Craft Growers Corp." and the symbol "SUGR" following the issuance by the TSXV of its final bulletin in respect of the Transactions.

The Company also announces that, pursuant to the terms and conditions of its stock option plan, it has granted an aggregate of 10,150,000 stock options to purchase Common Shares to directors and officers of the Company. The options expire five years from the date of grant and are exercisable at a price of \$0.11 per Common Share. The options vest as to one third on the grant date and one third on each of the first and second anniversaries of the grant date.

The Company also announces the resignation of Stanley Swiatek from the board of directors of the Company. The Company thanks Mr. Swiatek for his contributions.

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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Reader Advisory

Completion of the Transactions (including the Rights Offering) is subject to a number of conditions, including but not limited to, TSXV acceptance and Shareholder approval. Investors are cautioned that, except as disclosed in the filing statement to be filed in connection with the Transactions, any information released or received with respect to the Transactions may not be accurate or complete and should not be relied upon. There can be no assurance that the Transactions will be completed as proposed or at all. Trading in the securities of SugarBud should be considered highly speculative. The TSXV has in no way passed upon the merits of the Transactions and has neither approved nor disapproved of the contents of this news release.

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.

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 completion of the Transactions (including the Rights Offering), the use of proceeds of the Rights Offering and the trading in the common shares of the Company under the new name and new symbol. 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 securityholder, TSXV and regulatory approvals and the satisfaction of other closing conditions in accordance with the terms of the amalgamation agreement entered into between SugarBud and Grunewahl and the investment agreement entered into between SugarBud and Inner Spirit. 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, 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") and management's discussion and analysis ("MD&A") for the year ended December 31, 2017 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.