



HAND CRAFTED | SELECT BATCH | ULTRA PREMIUM

AUGUST 2018



# DISCLAIMERS

FORWARD LOOKING STATEMENTS. CERTAIN INFORMATION INCLUDED IN THIS PRESENTATION BY SUGARBUD CRAFT GROWERS CORP. ("SUGARBUD" OR THE "COMPANY") CONSTITUTES FORWARD-LOOKING INFORMATION UNDER APPLICABLE SECURITIES LEGISLATION. FORWARD-LOOKING INFORMATION TYPICALLY CONTAINS STATEMENTS WITH WORDS SUCH AS "WILL", "ANTICIPATE", "BELIEVE", "EXPECT", "PLAN", "INTEND", "ESTIMATE", "PROPOSE" OR SIMILAR WORDS SUGGESTING FUTURE OUTCOMES OR STATEMENTS REGARDING AN OUTLOOK. FORWARD-LOOKING INFORMATION IN THIS PRESENTATION INCLUDES, BUT IS NOT LIMITED TO, STATEMENTS RELATING TO: THE COMPANY'S BUSINESS, STRATEGIES, EXPECTATIONS, PLANNED OPERATIONS OR FUTURE ACTIONS AND, MORE PARTICULARLY, STATEMENTS CONCERNING THE COMPLETION OF THE PROPOSED ACQUISITION OF GRUNEWALD ORGANICS INC.; THE CONSTRUCTION OF PHASE 1 & 2 AT STAVELY; POTENTIAL FUNDING SOURCES INCLUDING THE RIGHTS OFFERING AND POTENTIAL CREDIT FACILITY; RECEIVING A HEALTH CANADA CULTIVATION LICENSE AND A SALES LICENSE; THE SIZE OF THE CANNABIS MARKET IN CANADA; THE NUMBER OF LPS IN CANADA; THE ABILITY TO ACQUIRE TOP STRAINS AND GENETICS; THE QUALITY OF CANNABIS GROWN; THE CROP TIMES FOR AEROPONICS AND SOIL; THE INVESTMENT AND STRATEGIC ALLIANCE WITH INNER SPIRIT HOLDINGS INC. AND THE CLOSING OF THE SECOND TRANCHE; THE VALUE OF THE INNER SPIRIT INVESTMENT; THE APPOINTMENT OF DARREN BONDAR TO SUGARBUD'S BOARD OF DIRECTORS AND FUTURE OIL AND GAS PRODUCTION LEVELS AND CASH FLOWS. STATEMENTS RELATING TO "RESERVES" ARE ALSO DEEMED TO BE FORWARD LOOKING STATEMENTS, AS THEY INVOLVE THE IMPLIED ASSESSMENT, BASED ON CERTAIN ESTIMATES AND ASSUMPTIONS, THAT THE RESERVES DESCRIBED EXIST IN THE QUANTITIES PREDICTED OR ESTIMATED AND THAT THE RESERVES CAN BE PROFITABLY PRODUCED IN THE FUTURE.

THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION ARE BASED ON CERTAIN KEY EXPECTATIONS AND ASSUMPTIONS MADE BY SUGARBUD, INCLUDING EXPECTATIONS AND ASSUMPTIONS CONCERNING: THE TIMING OF THE RECEIPT OF THE REQUIRED REGULATORY APPROVALS; THE FUTURE OPERATIONS OF, AND TRANSACTIONS COMPLETED BY, THE COMPANY; THE AVAILABILITY OF SUFFICIENT CAPITAL; THE AVAILABILITY OF AND ACCESS TO QUALIFIED PERSONNEL; THE EXPECTED GROWTH IN THE CANNABIS MARKET; THE MEDICAL BENEFITS, VIABILITY, SAFETY, EFFICACY, DOSING AND SOCIAL ACCEPTANCE OF CANNABIS; THE SECURITIES MARKETS AND THE GENERAL ECONOMY; THE LEGALIZATION OF CANNABIS FOR ADULT-USE IN CANADA, INCLUDING FEDERAL AND PROVINCIAL REGULATIONS PERTAINING THERETO AND THE TIMING RELATED THEREOF AND THE COMPANY'S INTENTIONS TO PARTICIPATE IN SUCH MARKET, IF AND WHEN LEGALIZED; APPLICABLE LAWS NOT CHANGING IN A MANNER THAT IS UNFAVORABLE TO SUGARBUD; THE SUCCESS OF FUTURE DRILLING, DEVELOPMENT AND COMPLETION ACTIVITIES; THE PERFORMANCE OF NEW AND EXISTING WELLS; THE AVAILABILITY AND PERFORMANCE OF FACILITIES AND PIPELINES; THE GEOLOGICAL CHARACTERISTICS OF SUGARBUD'S PROPERTIES; THE SUCCESSFUL APPLICATION OF DRILLING, COMPLETION AND SEISMIC TECHNOLOGY; PREVAILING WEATHER AND BREAK-UP CONDITIONS AND ACCESS TO OUR DRILLING LOCATIONS; COMMODITY PRICES; ROYALTY REGIMES AND EXCHANGE RATES; AND THE APPLICATION OF REGULATORY AND LICENSING REQUIREMENTS. READERS ARE CAUTIONED THAT THE FOREGOING LIST IS NOT EXHAUSTIVE OF ALL FACTORS AND ASSUMPTIONS WHICH HAVE BEEN USED.

ALTHOUGH SUGARBUD BELIEVES THAT THE EXPECTATIONS AND ASSUMPTIONS ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED ARE REASONABLE, UNDUPLICATE RELIANCE SHOULD NOT BE PLACED ON THE FORWARD-LOOKING STATEMENTS BECAUSE SUGARBUD CAN GIVE NO ASSURANCE THAT THEY WILL PROVE TO BE CORRECT. SINCE FORWARD-LOOKING STATEMENTS ADDRESS FUTURE EVENTS AND CONDITIONS, BY THEIR VERY NATURE THEY INVOLVE INHERENT RISKS AND UNCERTAINTIES. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE CURRENTLY ANTICIPATED DUE TO A NUMBER OF FACTORS AND RISKS. THESE INCLUDE, BUT ARE NOT LIMITED TO, RISKS ASSOCIATED WITH THE CANNABIS INDUSTRY IN GENERAL; ACTIONS AND INITIATIVES OF FEDERAL AND PROVINCIAL GOVERNMENTS AND CHANGES TO GOVERNMENT POLICIES AND THE EXECUTION AND IMPACT OF THESE ACTIONS, INITIATIVES AND POLICIES, INCLUDING THE FACT THAT ADULT-USE CANNABIS IS CURRENTLY ILLEGAL UNDER FEDERAL AND PROVINCIAL LAW; IMPORT/EXPORT RESTRICTIONS FOR CANNABINOID-BASED OPERATIONS; THE SIZE OF THE MEDICAL-USE AND ADULT-USE CANNABIS MARKET; COMPETITION FROM OTHER INDUSTRY PARTICIPANTS; RISKS ASSOCIATED WITH THE OIL AND GAS INDUSTRY IN GENERAL (E.G., OPERATIONAL RISKS IN DEVELOPMENT, EXPLORATION AND PRODUCTION; DELAYS OR CHANGES IN PLANS WITH RESPECT TO EXPLORATION OR DEVELOPMENT PROJECTS OR CAPITAL EXPENDITURES; THE UNCERTAINTY OF RESERVE ESTIMATES; THE UNCERTAINTY OF ESTIMATES AND PROJECTIONS RELATING TO PRODUCTION, COSTS AND EXPENSES, AND HEALTH, SAFETY AND ENVIRONMENTAL RISKS); AND OTHER FACTORS MORE FULLY DESCRIBED FROM TIME TO TIME IN THE REPORTS AND FILINGS MADE BY THE COMPANY WITH SECURITIES REGULATORY AUTHORITIES.

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# DISCLAIMERS (CONTINUED)

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**RESERVES DISCLOSURE.** ALL RESERVE REFERENCES IN THIS PRESENTATION ARE TO GROSS RESERVES AS AT THE EFFECTIVE DATE OF THE APPLICABLE EVALUATION. GROSS RESERVES ARE SUGARBUD'S TOTAL WORKING INTEREST RESERVES BEFORE THE DEDUCTION OF ANY ROYALTIES AND INCLUDING ANY ROYALTY INTERESTS OF SUGARBUD. THE RECOVERY AND RESERVE ESTIMATES OF SUGARBUD'S CRUDE OIL, NATURAL GAS LIQUIDS AND NATURAL GAS RESERVES PROVIDED HEREIN ARE ESTIMATES ONLY AND THERE IS NO GUARANTEE THAT THE ESTIMATED RESERVES WILL BE RECOVERED. ACTUAL CRUDE OIL, NATURAL GAS AND NATURAL GAS LIQUIDS RESERVES MAY BE GREATER THAN OR LESS THAN THE ESTIMATES PROVIDED HEREIN.

**BOE DISCLOSURE.** THE TERM BARRELS OF OIL EQUIVALENT ("BOE") MAY BE MISLEADING, PARTICULARLY IF USED IN ISOLATION. A BOE CONVERSION RATIO OF SIX THOUSAND CUBIC FEET PER BARREL (6MCF/BBL) OF NATURAL GAS TO BARRELS OF OIL EQUIVALENCE IS BASED ON AN ENERGY EQUIVALENCY CONVERSION METHOD PRIMARILY APPLICABLE AT THE BURNER TIP AND DOES NOT REPRESENT A VALUE EQUIVALENCY AT THE WELLHEAD.



# WHO IS SUGARBUD?

**SUGARBUD IS AN EMERGING ALBERTA BASED  
PUBLICLY TRADED CANNABIS COMPANY FOCUSED  
ON GROWING HAND CRAFTED, SELECT BATCH,  
ULTRA PREMIUM BUD**

# TEAM

*A STRONG MIX OF  
CANNABIS, OIL AND  
GAS, START-UP,  
TRANSACTION,  
BUSINESS AND  
REGULATORY  
EXPERIENCE*



## CRAIG KOLOCHUK

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Kolochuk has 20 years of experience in the Canadian oil and gas industry, holding roles in land, business development, acquisitions and divestitures, and management. He was a co-founder of Cardinal Energy Ltd. and played a significant role in acquiring over \$800 million of high quality oil and gas assets, ultimately building a large, publicly traded, dividend paying entity with a market capitalization of nearly \$1 billion at its peak.

## JEFF SWAINSON

CHIEF FINANCIAL OFFICER

Mr. Swainson has 10 years of public company accounting, finance, and capital markets experience. He began his career with a large international accounting firm and subsequently moved into the oil and gas industry, where he spent the majority of his career. Mr. Swainson was most recently the Chief Financial Officer and Corporate Secretary of a high growth Montney focused exploration and production company, which grew to a market capitalization of approximately \$400 million at its peak.

## TARA JOHNSON-OUELLETTE

VP, COMPLIANCE AND REGULATORY AFFAIRS

Mrs. Johnson-Ouellette has 20 years of experience in regulatory and compliance, project execution, and business process management. She spent most of her career in the oil and gas industry, creating value predominantly with start-up companies. Thereafter, she transitioned into the cannabis space in late 2015, working as Manager of Operations for Sundial Growers, where her responsibilities included the preparation of the Health Canada expansion submission for Olds, Alberta.

## SANDER STEER

VP, GROWING OPERATIONS, INFRASTRUCTURE AND  
TECHNOLOGY

Mr. Steer has spent much of the last 25 years constructing and operating critical environments, buildings, and other facilities. He brings to the team an extensive background in steam and power engineering, HVAC, electrical and mechanical systems, distributed energy systems, construction, and operations. Mr. Steer previously held the position of Chief Technology Officer at Sponsor Energy, and prior thereto, the position of Senior Director, Operations at Shaw Communications.

## VICTOR EL-ARAJ

CONTROLLER

Mr. El-Araj has over eight years of experience in accounting and finance. He began his career at Nexen Inc., where he articulated for his Chartered Accountant designation and performed roles related to external reporting, oil sands finance, and internal audit and controls. He subsequently moved to Imperial Oil Ltd., where he executed roles related to capital budgeting, internal and external reporting and accounting policy. Mr. El-Araj was most recently an Associate at Raymond James Ltd., where he gained valuable capital markets experience in an equity research role. Mr. El-Araj is currently a CFA level II candidate.

# TEAM (CONT.)

*A STRONG MIX OF  
CANNABIS, OIL AND  
GAS, START-UP,  
TRANSACTION,  
BUSINESS AND  
REGULATORY  
EXPERIENCE*



## COREY SCOTT MASTER CULTIVATOR

Mr. Scott is an experienced Access to Cannabis for Medical Purposes Regulations (“ACMPR”) medical cannabis grower. Mr. Scott has extensive experience with aeroponics, hydroponics and soil growing mediums, the selection and development of top-tier genetics, the production of organic cannabis, and ACMPR level quality assurance mandates.

## NAVNEET MINHAS QUALITY ASSURANCE PERSON

Ms. Minhas has over nine years of experience within the food and beverage production industry, including production, Quality Assurance, Quality Control, supervision and management. She has extensive experience in auditing and out of specification investigations, Canadian Food Inspection Agency inspections, root cause analysis and corrective actions implementation. She has a firm understanding of Global British Retail Consortium Standards, the Food Safety Modernization Act, Hazard Analysis and Critical Control Points, Good Manufacturing Practices and Good Production Practices.

# BOARD OF DIRECTORS

*A STRONG MIX OF CANNABIS, OIL AND GAS, START-UP, TRANSACTION, BUSINESS AND REGULATORY EXPERIENCE*



## DAN WILSON

CHAIRMAN OF THE BOARD OF DIRECTORS &  
VICE PRESIDENT, OIL AND GAS OPERATIONS

Mr. Wilson was Chief Executive Officer of the Company from March 2010 to April 2018. Prior thereto, he was President and Chief Executive Officer of Alexander Energy Ltd. Mr. Wilson brings to the Company extensive governance, oil and gas, start-up and transaction experience.

## STANLEY SWIATEK

DIRECTOR

Mr. Swiatek is a founder, former CEO and a current member of the board of directors of Sundial Growers. Mr. Swiatek was an early Applicant (78th) under Health Canada's Access to Cannabis for Medical Purposes Regulations and has successfully obtained three Health Canada cultivation licenses. Mr. Swiatek is a stakeholder working with the Alberta Provincial Government and Health Canada Cannabis Roundtables. He has over 40 years' experience in construction, development and commercial greenhouse operations.

## WILLIAM MACDONALD

DIRECTOR

Oil and gas start-up specialist who has invested in and tracked over 60 private start-ups. 3 years of cannabis sector investing and research experience. Board Member of Inner Spirit Holdings, the first cannabis related company to join the Canadian Franchise Association. Board Member of Target Capital Inc. D.B.A. CBI2 Capital, a TSX-V and CSE listed cannabis investment corporation. Co-Founder of SugarBud Cannabis Corporation.

## JOSEPH DIETRICH

DIRECTOR

Chief Executive Officer and a director of Grunewahl Organics Inc. since June 2017; a director and Vice President of Concrest Corporation Ltd. since 1985; a director and President of Peqaa Ventura Inc. since November 2012; and a director and Vice President of Locrain Resources Inc. since 2011.



# GRUNEWahl + SUGARBUD

**ACQUISITION OF GRUNEWahl BRINGS TOGETHER A LATE STAGE HEALTH CANADA LICENSE APPLICANT AND A STRONG TEAM**

## LATE STAGE APPLICANT

CULTIVATION LICENSE  
EXPECTED Q4 2018

~\$5.4M

Q1 2018 WORKING CAPITAL

~20M

MARKET CAPITALIZATION  
AUGUST, 2018

~\$0.10

SHARE PRICE  
AUGUST, 2018

~24%

INSIDER OWNERSHIP  
AUGUST, 2018

## STRONG TEAM

MIX OF CANNABIS, TRANSACTION, BUSINESS  
AND REGULATORY EXPERIENCE

## TSX-V: RRL

PUBLICLY TRADED AND RECENTLY  
RECAPITALIZED (\$8.25M RAISED)

- SUGARBUD CRAFT GROWERS CORP. (FORMERLY RELENTLESS RESOURCES LTD.) IS A CANADIAN OIL AND GAS AND CANNABIS COMPANY WITH OPERATIONS IN ALBERTA (\$1.6M CASH FLOW DURING 2017)
- SUGARBUD RECENTLY COMPLETED A \$8.25 MILLION RECAPITALIZATION FINANCING TO EXPLORE OPPORTUNITIES IN THE CANNABIS SPACE
- SUGARBUD ANNOUNCED AN AGREEMENT TO ACQUIRE GRUNEWahl ORGANICS INC. (“GRUNEWahl”), A LATE STAGE HEALTH CANADA LICENSE APPLICANT WITH LAND AT STAVELY ALBERTA, IN AN ALL-SHARE DEAL
- SUGARBUD IS CONSTRUCTING A PREMIER AEROPONICS CANNABIS CULTIVATION FACILITY AT STAVELY ALBERTA
- SUGARBUD CLOSED TRANCHE 1 OF DEAL WITH INNER SPIRIT HOLDINGS LTD. (CSE: ISH) (ACQUIRED 7,500,000 UNITS FOR \$1,125,000 CASH) AND IS DEVELOPING A STRATEGIC ALLIANCE
- TRANCHE 2 OF INNER SPIRIT TO CLOSE ON APPROVAL OF CHANGE OF BUSINESS FROM TSXV





# RELENTLESS RESOURCES OIL AND GAS ASSETS

*SOLID BASE OF CASH FLOW TO FUND G&A AND OTHER EXPENSES*

THE MAJORITY OF THESE ASSETS ARE LOCATED AT HEATHDALE AND WILLESDEN GREEN, ALBERTA

**212 BOE/D**

2017 AVERAGE PRODUCTION

**60%**

LIQUIDS PRODUCTION

**~\$1.6M**

2017 CASH FLOW FROM OPERATIONS

**1.5 MBOE**

12.31.17 2P RESERVES

**~\$21.3M**

DECEMBER 31, 2017  
2P RESERVES NPV10%



RESERVES NUMBERS WERE DERIVED A REPORT PREPARED BY TRIMBLE ENGINEERING ASSOCIATES LTD., QUALIFIED INDEPENDENT RESERVES EVALUATORS, IN ACCORDANCE WITH NATIONAL INSTRUMENT 51-101 –STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES WITH AN EFFECTIVE DATE OF DECEMBER 31, 2017.

# THE ALBERTA ADVANTAGE

*“UNDER LEGALIZED RECREATIONAL CANNABIS, ALBERTA EMERGES AS AN OVERLOOKED OPPORTUNITY...” TED OHASHI 2017*



- TOTAL LICENSED PRODUCERS (“LPs”) IN CANADA: 115 <sup>(1)</sup>
- WHAT ABOUT CALIFORNIA? THEY HAVE 3,000 LPs WITH ROUGHLY THE SAME POPULATION!
- ALBERTA HAS THE HIGHEST PER CAPITA REGISTERED PATIENTS IN CANADA AT ~1.82% VS. ONTARIO AT ~0.64% AND HAS 24,671 REGISTERED PATIENTS PER LP VS. ONTARIO AT 2,694 REGISTERED PATIENTS PER LP
- ALBERTA HAS A DRY CLIMATE, REDUCING HUMIDITY AND ALLOWING FOR MORE PRECISE ENVIRONMENTAL CONTROL (MAKING IT THE BEST ENVIRONMENT TO GROW INDOORS)
- ALBERTA HAS SOME OF THE LOWEST ELECTRICITY COSTS IN THE COUNTRY
- ALBERTA HAS A PRIVATE RETAIL FRAMEWORK, ADVANTAGEOUS COMPARED TO GOVERNMENT OPERATED STOREFRONTS
- ALBERTA HAS COMPARABLY LOWER CORPORATE TAX RATES

(1)



Health  
Canada

Santé  
Canada

# CURRENT TREND

## MASSIVE GREENHOUSES

LACK OF CONTROL



## SOIL

OLD TECHNOLOGY, LOW YIELDS



## LOW QUALITY

LOWER SELLING PRICES



## HAND CRAFTED

## SELECT BATCH

## ULTRA PREMIUM BUD

# OUR FOCUS

## SMALLER GROW ROOMS

ADAPTABILITY AND CONTROL



## AEROPONICS

MAX YIELD AND SPACE USAGE



## TOP STRAINS

HIGHER SELLING PRICES



# AEROPONICS (“AERO”) BENEFITS

*OUR INNOVATIVE APPROACH WILL PROVIDE COMPETITIVE ADVANTAGE!*



SOURCE: AESSENSEGROWS.COM

## HIGHER YIELD PER CROP

YIELDS UP TO 300% HIGHER TRADITIONAL AGRICULTURE  
SOURCE: FASTCOMPANY.COM

## HIGHEST DEGREE OF CONTROL

PRECISE TIMING, NUTRIENTS, AND WATER

## HIGHER THC, CBD AND TRICHOMES

INCREASES THC AND CBD

## LESS WATER AND FERTILIZER USED

REDUCES WATER USAGE BY UP TO 95%  
SOURCE: FASTCOMPANY.COM

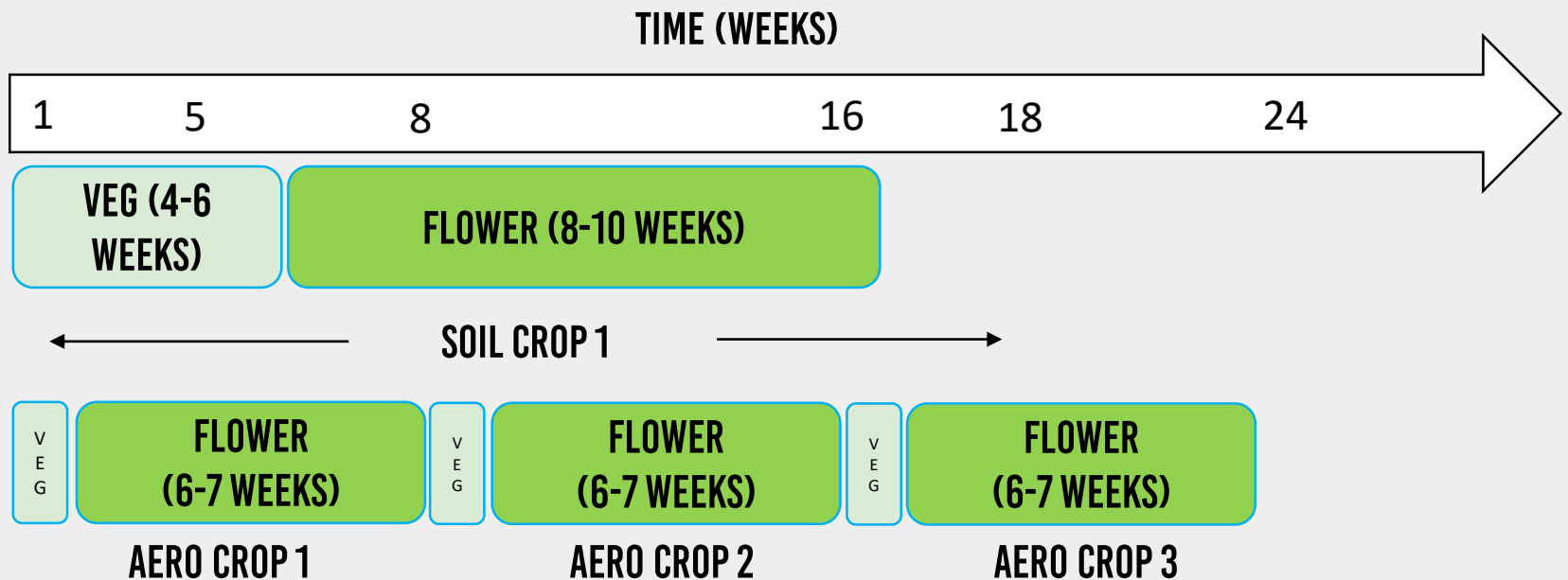
# AERO: QUICKER GROWTH

*THE END OF THE DARK AGES*



## MORE CROPS PER YEAR

QUICK VEGETATION AND FLOWERING CYCLES



# QUALITY MANAGEMENT SYSTEM (“QMS”)



***PLAN-DO-CHECK-ACT REDUCES RISK AND ENSURES THE QUALITY OF OUR PRODUCT  
QUALITY MANAGEMENT SYSTEMS ARE LACKING IN THE CANADIAN CANNABIS SPACE***

## WHAT IS QMS?

**EFFICIENT PROCEDURES AND STRUCTURED OPERATIONS**

- **QUALITY MANAGEMENT IS AT THE CORE OF EVERYTHING WE DO**
- **A QMS IS A SET OF POLICIES, PROCESSES AND PROCEDURES REQUIRED FOR PLANNING AND EXECUTION IN AREAS THAT CAN IMPACT THE ORGANIZATION’S ABILITY TO MEET CUSTOMER REQUIREMENTS *SOURCE ISO 9001***
- **ISO 9001 IS AN EXAMPLE OF A QUALITY MANAGEMENT SYSTEM**

## WHY QMS?

**CONSISTENCY AND RISK MITIGATION!**

- **CONSISTENCY OF PRODUCT AND RESULTS**
- **MAXIMIZE CUSTOMER SATISFACTION**
- **REDUCE RISK AND MONITOR RESULTS, THEN ADJUST PROCESSES TO MAXIMIZE RETURNS**
- **MEASUREMENT OF RESULTS ALLOWS FOR THE ABILITY TO DEMONSTRATE CONFORMITY TO HEALTH CANADA STANDARDS**

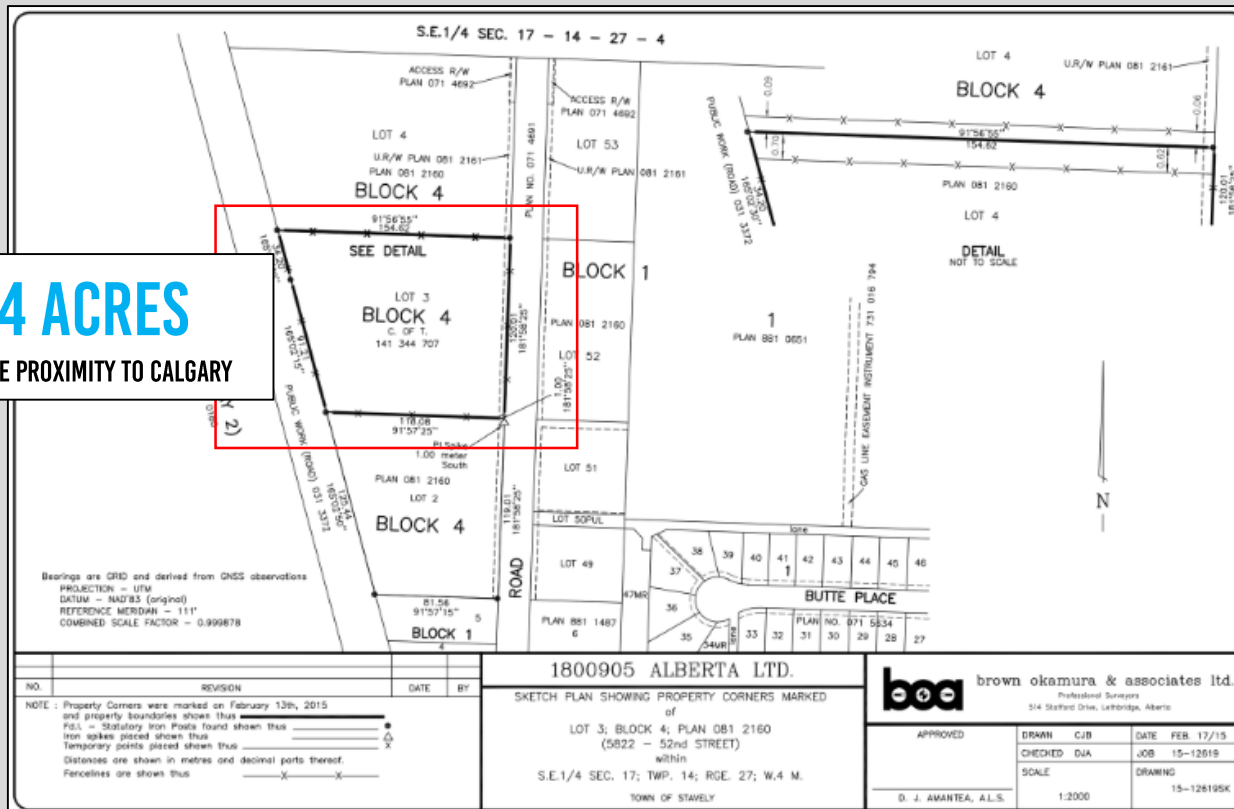


# STAVELY: LAND PACKAGE

*FOUR ACRES OF PRIME LAND LOCATED JUST ONE HOUR SOUTH OF CALGARY*

- ❑ SUGARBUD WILL OWN 4 ACRES OF LAND AT STAVELY, ALBERTA (UPON CLOSING OF GRUNEWahl DEAL)
- ❑ HEALTH CANADA LICENSE APPLICATION SUBMITTED BY AN INDIRECT SUBSIDIARY OF GRUNEWahl IN JANUARY, 2014
- ❑ MUNICIPAL APPROVAL OBTAINED FOR CANNABIS CULTIVATION, FULL SUPPORT FROM LOCAL FIRE DEPARTMENT, RCMP, AND MP

**4 ACRES**  
CLOSE PROXIMITY TO CALGARY





# STAVELY: PHASE 1 BUILDOUT

*CONSTRUCTION COMMENCED IN JUNE 2018!*







# STAVELY: PHASE 1 BUILDOUT

*CONSTRUCTION IN PROGRESS, 3 LAYERS OF AERO*

~29,800 FT.<sup>2</sup>

FLOORPLATE

~34,000 FT.<sup>2</sup>

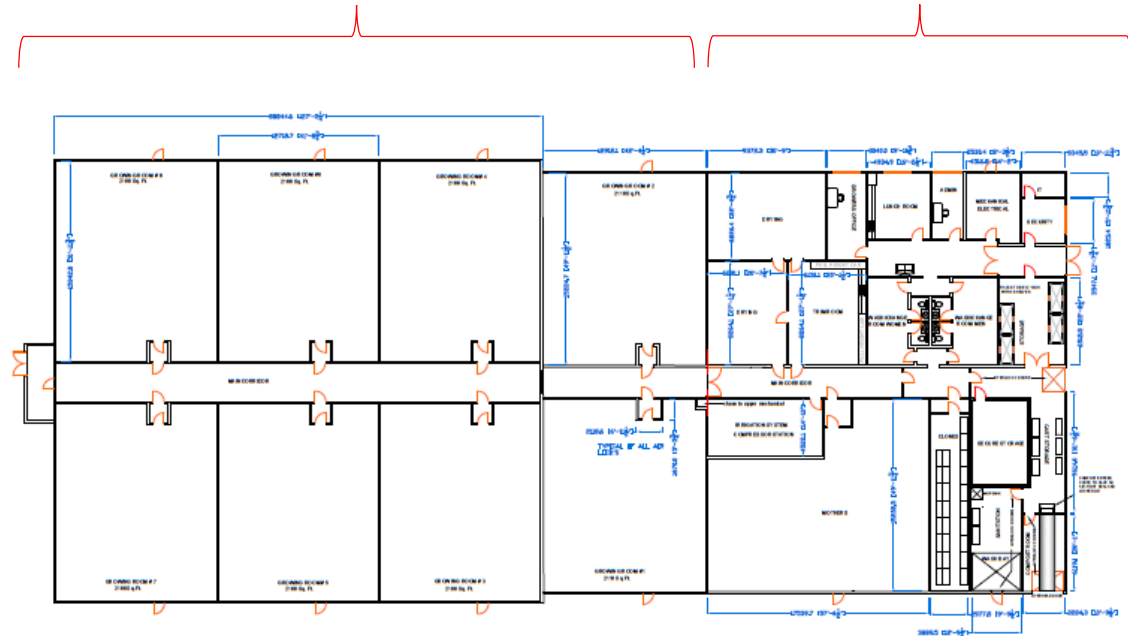
PHASE 1 FLOWERING CANOPY (3 LAYERS)

~8,000 KGS

PHASE 1 DRIED FLOWER PRODUCTION PER YEAR

## FLOWERING ROOMS

## SERVICE AREA



~\$14M

PHASE 1 CAPEX (\$5.1M BUILDING + \$8.9M EQUIPMENT)



# LAYERS/RACKING ILLUSTRATION

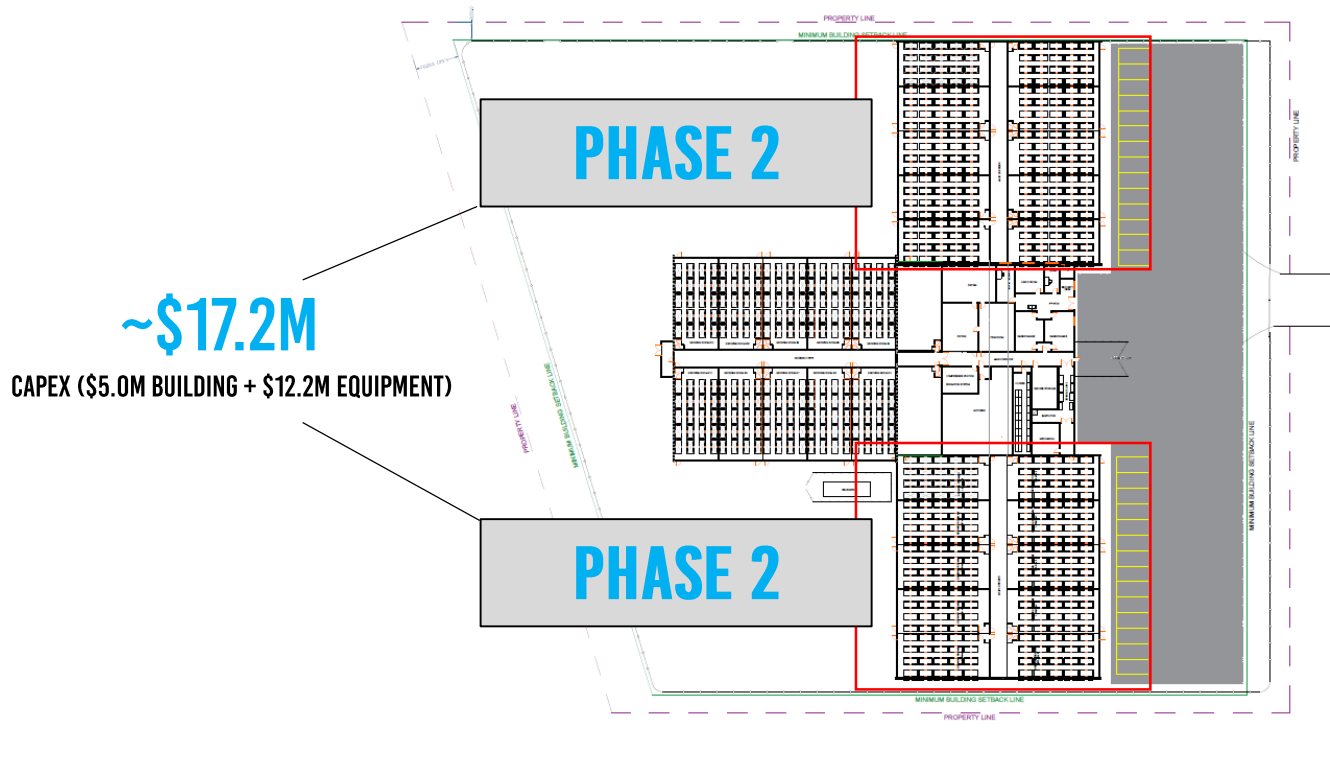
*RACK AND ROLL*





# STAVELY: PHASE 2 BUILDOUT

*LARGE SCALE MODULAR BOLT-ONS, 3 LAYERS*



**~\$17.2M**

CAPEX (\$5.0M BUILDING + \$12.2M EQUIPMENT)

**~26,000 FT.<sup>2</sup>**  
FLOORPLATE, ALL FLOWERING SPACE

**~51,000 FT.<sup>2</sup>**  
PHASE 2 FLOWERING CANOPY  
(3 LAYERS)

**~12,000 KGS**  
DRIED FLOWER PRODUCTION PER YEAR  
PHASE 1 + 2 = ~20,000 KGS PER YEAR



# FACILITY SUMMARY






*AN IMPACTFUL ASSET DESIGNED TO MAXIMIZE QUALITY AND YIELD*

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
<b>Total</b>	<b>N/A</b>	<b>85,000</b>	<b>\$31.2</b>	<b>20,000</b>



# THC STRAINS




*LINE-OF-SIGHT TO TOP QUALITY GENETICS TO MAXIMIZE YIELDS AND QUALITY*

NAME	PHOTO	EXPRESSION	~THC/CBD	TERPENES	AROMA/FLAVOUR	YIELD	FLOWER TIME
PINEAPPLE EXPRESS		HAPPY UPLIFTING EUPHORIC RELAXED ENERGETIC	THC 25% CBD 1% CBN 1%	HUMULENE A-PINENE	PINEAPPLE SWEET TROPICAL	HIGH	7-9 WEEKS
OG KUSH		RELAXED HAPPY EUPHORIC UPLIFTED SLEEPY	THC 25% CBD 1% CBN 1%	MYRCENE HUMULENE B-CARYOPHYLLENE LIMONENE A-PINENE	EARTHY PINE WOODY	HIGH	7-9 WEEKS
CHEMDAWG		RELAXED HAPPY UPLIFTED EUPHORIC CREATIVE	THC 22% CBN 0.05%	B-CARYOPHYLLENE LIMONENE VALENCENE HUMULENE	DIESEL EARTHY PUNGENT	HIGH	7-9 WEEKS
UK CHEESE		HAPPY RELAXED EUPHORIC HUNGRY UPLIFTED	THC 20% CBD 1% CBN 1%	HEXONIC ACID METHYL-MERCAPTAN METHYL-THIO- BUTRATE	CHEESE EARTHY PUNGENT	MEDIUM	7-9 WEEKS
GRAPE APE		RELAXED HAPPY SLEEPY EUPHORIC UPLIFTED	THC 25% CBD 0.35% CBN 0.03%	MYRCENE HUMULENE B-CARYOPHYLLENE LIMONENE A-PINENE	GRAPE SWEET BERRY	HIGH	7-9 WEEKS



# CBD STRAINS

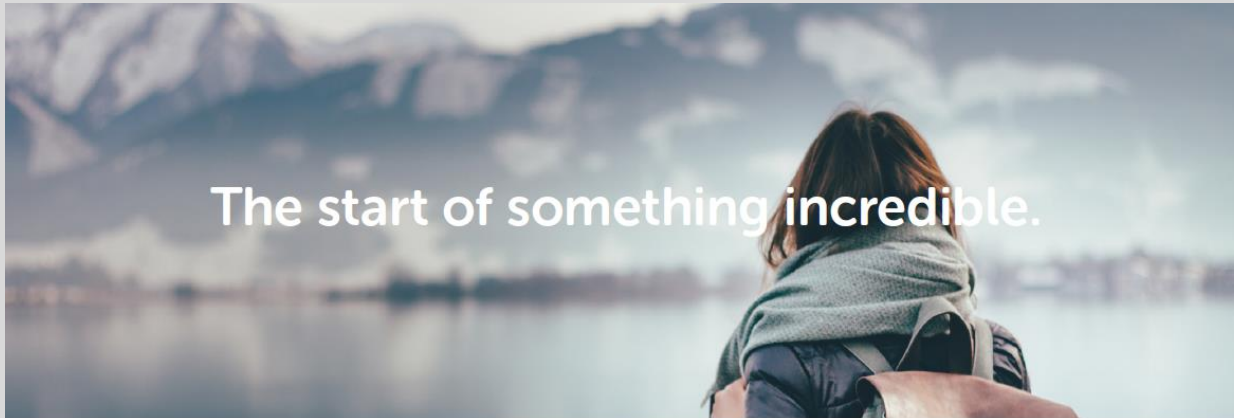
*LINE -OF-SIGHT TO TOP QUALITY GENETICS TO MAXIMIZE YIELDS AND QUALITY*

NAME	PHOTO	EXPRESSION	~THC/CBD	TERPENES	AROMA/FLAVOUR	YIELD	FLOWER TIME
SUPER SILVER HAZE CBD		HAPPY EUPHORIC UPLIFTED ENERGETIC RELAXED	THC 14% CBD 14% CBN 1%	B-MYRCENE LIMONENE LINALOOL B-CARYOPHYLLENE A-HUMULENE NEROLIDOL-2	EARTHY CITRUS SWEET	MEDIUM	10-12 WEEKS
SUPER LEMON HAZE CBD		HAPPY UPLIFTED ENERGETIC EUPHORIC FOCUSED	THC 12% CBD 12% CBN 1%	B-CARYOPHYLLENE TERPINOLENE HUMULENE OCIMENE MYRCENE	LEMON CITRUS SWEET	MEDIUM	7-9 WEEKS
WHITE WIDOW CBD		HAPPY RELAXED UPLIFTED EUPHORIC ENERGETIC	THC 5% CBD 10%	LIMONENE MYRCENE CARYOPHYLLENE TRANS NEROLIDOL	EARTHY WOODY PUNGENT	MEDIUM	7-9 WEEKS
SUPER SKUNK CBD		RELAXED HAPPY UPLIFTED SLEEPY HUNGRY	THC 7% CBD 7%	MYRCENE CARYOPHYLLENE A-PINENE HUMULENE LINALOOL	SKUNK SWEET EARTHY	MEDIUM	7-9 WEEKS



# INNER SPIRIT HOLDINGS

*AN EXPERT IN RETAIL POISED TO TAKE ADVANTAGE OF THE CANNABIS MARKET*



The start of something incredible.

Inner Spirit Holdings Ltd. is a company that builds amazing brands with substance. By applying its successful, award winning franchise and retail models to the recreational cannabis industry, it has already achieved significant milestones. Strategic partnerships, investments, a growing portfolio of proprietary brands, and with a group of over 100 corporate and franchise Spiritleaf locations, Inner Spirit Holdings is positioned to be a leader in the cannabis industry.

SOURCE: ISH CORPORATE PRESENTATION



# INNER SPIRIT HOLDINGS

*DARREN BONDAR, CEO OF INNER SPIRIT, JOINING SUGARBUD'S BOARD*

~100

TOTAL INNER SPIRIT  
RETAIL STORES  
PLANNED

20%

SUGARBUD WILL  
SUPPLY 20% OF  
INNER SPIRIT'S  
REQUIRED PRODUCT



## The Space

An open spaced opportunity to reimagine the typical retail environment of a dispensary. This concept uses more contemporary motifs, but balances the inherent starkness with personable illustration as well as accenting greenery.

## The Brand

Spiritleaf values an inclusionary approach to the recreational cannabis retail experience: its stores will offer an impressive selection of products, knowledgeable staff and a welcoming and comfortable environment.



SOURCE: ISH CORPORATE PRESENTATION





# INNER SPIRIT DEAL

*FIRST TRANCHE OF 7,500,000 UNITS CLOSED*

*SECOND 7,500,000 UNIT TRANCHE TO CLOSE UPON APPROVAL OF CHANGE OF BUSINESS FROM TSXV*

*MARKET VALUE OF FIRST TRANCHE AT AUGUST 8, 2018: \$2,025,000 (PAID \$1,125,000)*

## CROSS INVESTMENT

- **SUGARBUD RECEIVES:** 15,000,000 UNITS OF INNER SPIRIT AT \$0.15 PER UNIT (ONE SHARE PLUS HALF WARRANT EXERCISABLE AT \$0.30)
- **INNER SPIRIT RECEIVES:**
  - \$1,125,000 CASH
  - ~8,100,000 SHARES OF RELENTLESS
  - 1,125,000 SUGARBUD WARRANTS EXERCISABLE AT \$0.30 PER WARRANT

## STRATEGIC PARTNERSHIP

- SUGARBUD TO SUPPLY 20% OF INNER SPIRIT'S REQUIRED PRODUCT SUPPLY (10% SUGARBUD BRANDS AND 10% INNER SPIRIT'S "PRAIRIE FLOWER" BRAND)
- INNER SPIRIT TO PROVIDE FREE ADVERTISING FOR SUGARBUD
- DARREN BONDAR (CEO OF INNER SPIRIT) TO JOIN SUGARBUD BOARD
- BILL MACDONALD (DIRECTOR OF SUGARBUD) ALREADY ON INNER SPIRIT BOARD



# SELECTED CANNABIS COMPANIES

*SUGARBUD IS AN OPPORTUNITY TO INVEST IN A HIGH GROWTH CANNABIS COMPANY*

C\$ MILLIONS COMPANY			PRODUCTION CAPACITY (KGS)		
	MKT. CAP	EV	CURRENT	FUNDED	PLANNED
CRONOS	\$ 1,918	\$ 1,838	5,301	40,301	45,198
CANNTRUST	\$ 845	\$ 819	22,500	22,500	42,500
EMERALD	\$ 912	\$ 858	7,000	7,000	89,500
HYDROPOTHECARY	\$ 747	\$ 564	3,600	108,000	108,000
SUPREME	\$ 669	\$ 603	1,200	50,000	60,000
ORGANIGRAM	\$ 626	\$ 609	21,200	65,000	65,000
MARICANN	\$ 540	\$ 423	6,250	95,000	95,000
ABCANN	\$ 626	\$ 550	1,000	42,000	42,000
WEEDMD	\$ 253	\$ 197	1,200	21,000	50,000
EMBLEM	\$ 195	\$ 144	1,675	17,000	72,000
<b>AVERAGE OF SELECTED LPS</b>	<b>\$ 733</b>	<b>\$ 661</b>	<b>7,093</b>	<b>46,780</b>	<b>66,920</b>
<b>SUGARBUD</b>	<b>\$ 20</b>	<b>\$ 15</b>	<b>-</b>	<b>8,000</b>	<b>20,000</b>

AS OF APRIL, 2018, FIGURES SUBJECT TO CHANGE

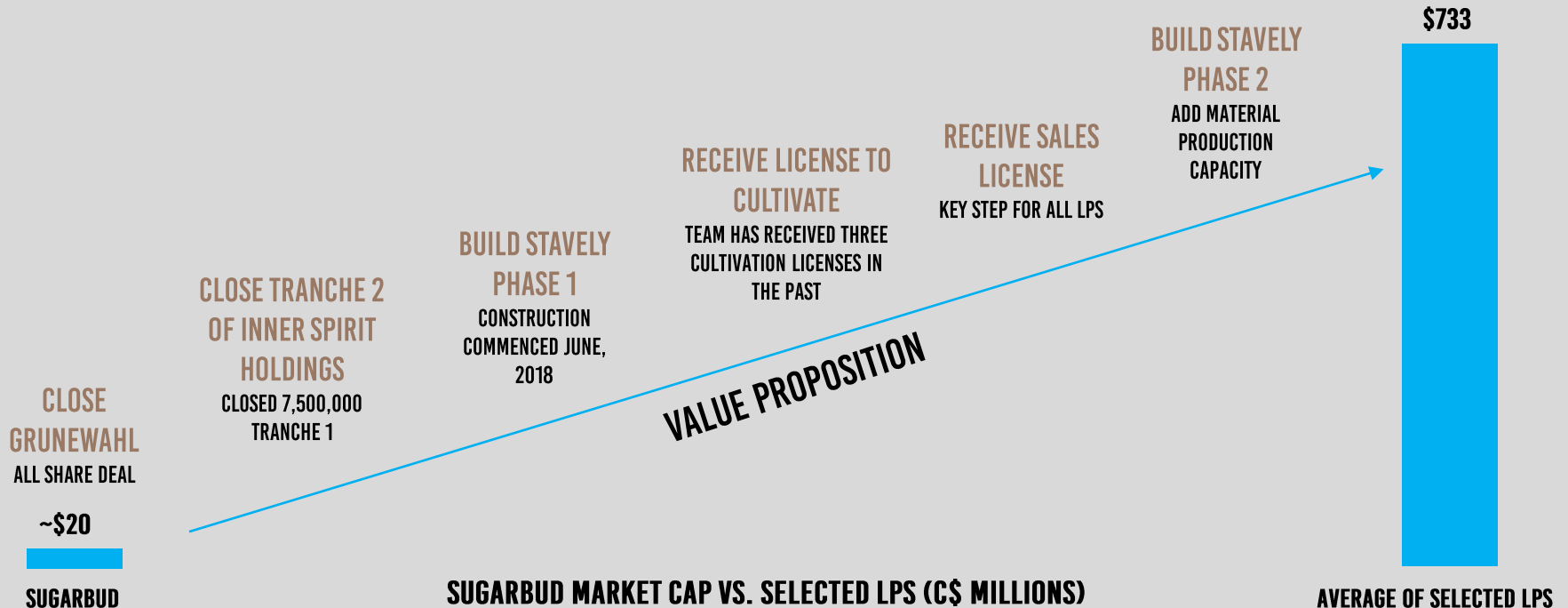


# VALUE PROPOSITION

*EARLY STAGE INVESTMENT PROVIDES MATERIAL UPSIDE*

## TO DO LIST

WE PLAN TO EXECUTE ON THE FOLLOWING ITEMS IN ORDER TO BUILD SHAREHOLDER VALUE





# RIGHTS OFFERING & CREDIT FACILITY

*CURRENT OPPORTUNITY TO ACQUIRE UNITS AT \$0.0675 (1 SHARE + 1 HALF WARRANT EXERCISABLE AT \$0.10)*

*LINE OF SIGHT TO MATERIAL NON-DILUTIVE CAPITAL*

**~\$20M**

CURRENTLY NEGOTIATING SYNDICATED  
CANNABIS CREDIT FACILITY FOR \$20 MILLION

**2:1 RIGHTS**

EACH COMMON SHARE HELD GIVES ONE  
RIGHT  
2 RIGHTS ALLOWS FOR THE PURCHASE  
OF 1 UNIT

**~\$7.4M**

MAXIMUM PROCEEDS OF RIGHTS  
OFFERING

**SEPTEMBER 12, 2018**

EXPIRY OF RIGHTS  
RRL.RT TO TRADE ON TSX-V UNTIL 10:00AM ON SEPTEMBER 12

**\$0.0675 PER UNIT**

ONE SHARE + ONE HALF SHARE PURCHASE WARRANT  
(EXERCISABLE AT \$0.10)

**~\$1.5M**

EXPECTED INSIDER PARTICIPATION

**ATTRACTIVE VALUATION**

\$0.0675 IMPLIES SUGARBUD PRE-MONEY VALUATION OF ~\$15 MILLION



# CONTACT AND SERVICE PROVIDERS

## WEBSITE

WWW.SUGARBUD.CA

## STOCK SYMBOL

TSX-V: RRL

## ADDRESS

# 620, 634 6<sup>TH</sup> AVENUE SW  
CALGARY, ALBERTA, CANADA  
T2P 0S4

## AUDITOR

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1500, 640 – 5<sup>TH</sup> AVENUE SW  
CALGARY, ALBERTA T2P 3G4

## BANK

ATB FINANCIAL  
600, 444 – 7<sup>TH</sup> AVENUE SW,  
CALGARY, ALBERTA T2P 0X8

## LEGAL COUNSEL

MCCARTHY TETRAULT LLP  
4000, 421 – 7<sup>TH</sup> AVENUE SW  
CALGARY, ALBERTA T2P 4K9

## INVESTOR RELATIONS

GARY PERKINS, PRESIDENT, TEKKFUND CAPITAL CORP.  
TEL: (416) 882-0020  
E-MAIL: GARYPERKINS@ROGERS.COM

## TRANSFER AGENT

COMPUTERSHARE  
600, 530 – 8<sup>TH</sup> AVENUE SW  
CALGARY, ALBERTA T2P 3S8

## RESERVES EVALUATOR

TRIMBLE ENGINEERING ASSOCIATES LTD.  
SUITE 2200, 821 – 6 AVENUE SW  
CALGARY, ALBERTA, T2P 3W2