



Bhang Provides Corporate Update

MIAMI, Oct. 05, 2020 -- [Bhang Inc.](#) ("**Bhang**" or the "**Company**") (CSE: BHNG) (OTCQB: BHNGF), a global cannabis CPG brand company with an award-winning portfolio of products, provided today a corporate update that includes the divestment of the Company's indirect interest in Red Ace, LLC ("**Red Ace**") and the grant of equity incentive awards to certain directors, officers and consultants.

Divestment of Red Ace

Bhang's wholly owned subsidiary, Bhang Corporation ("**Bhang Corp.**"), completed a divestment of its membership interest in Red Ace in an effort for Bhang to re-focus resources on its core business of cannabis-infused gourmet chocolate products. The transaction was completed pursuant to a membership interest purchase agreement (the "**Purchase Agreement**") whereby Bhang Corp. sold, assigned and transferred 100% of its membership interest in Red Ace in exchange for gross proceeds of US\$5,000 and the assumption by the purchaser of all liabilities associated with Red Ace.

In connection with the Purchase Agreement, the Company also entered into a settlement agreement and mutual release (the "**Settlement Agreement**") with a former owner of Red Ace (the "**Former Owner**"), among others, where the parties agreed to release and discharge each other of any claims related to prior business dealings involving Red Ace. Pursuant to the Settlement Agreement, the Former Owner also agreed, for no consideration, to transfer to the Company all right, title and interest in and to 2,379,122 multiple voting shares of Bhang that were acquired by the Former Owner at the time of the initial Red Ace sale transaction.

Equity Incentive Awards

On October 2, 2020, Bhang granted options to purchase an aggregate of 1,300,000 subordinate voting shares of the Company (the "**Stock Options**") to certain directors and officers of the Company. 1,000,000 Stock Options are exercisable until October 1, 2023 at a price of \$0.075 per share and the remaining 300,000 Stock Options are exercisable until October 1, 2023 at a price of \$0.10 per share.

On October 2, 2020, Bhang granted 2,750,000 restricted stock units of the Company (the "**RSUs**") to certain directors, officers and consultants of the Company. Upon issuance, 1,750,000 of the RSUs vested immediately and 1,000,000 of the RSUs shall vest on October 2, 2021. Upon vesting, the subordinate voting shares underlying the RSUs are issued at a deemed price of \$0.075 per share.

All Stock Options and RSUs were granted in accordance with the Company's 2019 Equity Incentive Plan. The subordinate voting shares underlying the Stock Options and RSUs are subject to a statutory four month and one day hold period expiring on February 3, 2021.

About Bhang

Bhang is committed to making the fairly enjoyable ridiculously fun. For over a decade Bhang has delivered exceptional sensory experiences to consumers through its extensive portfolio of over 50 master-chef created cannabis, CBD and terpene products including gourmet chocolates, pre-rolls, CBD isolate, and Hempsticks™. Bhang's highly-awarded chocolates are among the top-selling edibles in 7 U.S. states and the #1 and #2 edible in Canada. Bhang's CBD products are globally-distributed and are known for being safe, efficacious and delicious. Learn more at www.bhangnation.com and purchase our high-quality CBD products at www.bhangcbd.com. Live Life with a Bhang!

FORWARD LOOKING STATEMENTS

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) statements regarding the future direction of the Company; (ii) the ability of the Company to successfully achieve its business and financial objectives; (iii) plans for expansion of the Company into new jurisdictions; and (iv) expectations for other economic, business, and/or competitive factors. Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the business of the Company's future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; in particular, in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing

prices for cannabis and hemp products in the markets that the Company operates in; adverse changes in applicable laws or adverse changes in the application or enforcement of current laws; the cannabis market is highly regulated and those regulations and enforcement priorities of governmental authorities may change; compliance with extensive government regulation and related costs; and other risks described in the Company's filings on www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States or to any "U.S. Person" (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

Neither CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

INVESTORS CONTACT:

Jamie L. Pearson

President & CEO

Bhang Inc.

(406) 208-3488

j.pearson@bhangcorporation.com