SUGARBUD ANNOUNCES CONTINUATION OF BIA PROCEEDINGS UNDER THE CCAA

CALGARY, ALBERTA, October 18, 2022 – As previously announced, on September 26, 2022, Sugarbud Craft Growers Corp. (TSXV: SUGR, SUGR.DB, SUGR.WR, SUGR.WS, SUGR.WT) (OTCQB: SBUDD), together with its subsidiaries (collectively "**Sugarbud**") commenced a restructuring process by filing notices of intention to make a proposal (the "**NOI Proceedings**") under the Bankruptcy and Insolvency Act (Canada), as amended (the "**BIA**"). Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as proposal trustee.

Sugarbud announces today that, pursuant to an order granted by the Court of King's Bench of Alberta on October 18, 2022 (the "**Order**"), its NOI Proceedings have been continued under the *Companies' Creditor Arrangement Act* (the "**CCAA**"), with A&M transitioning from its role as proposal trustee to the role of monitor under the CCAA. Sugarbud will continue in its efforts to restructure its debt and conduct its sale and investment solicitation process under the protection of the CCAA. The interim financing obtained by Sugarbud under the NOI is continued under the CCAA. The initial stay of proceedings under the CCAA will expire on December 10, 2022 and may be renewed thereafter.

A copy of the Order is available at: www.alvarezandmarsal.com/sugarbud.

About Sugarbud
Sugarbud is a consumer-driven craft cannabis company focused on the cultivation and production of superior, select-batch, craft cannabis products. Federally licensed in Cannabis 1.0 and Cannabis 2.0, Sugarbud operates out of a 100% owned, 29,800 square foot cultivation and processing facility in Stavely, Alberta. Our vision and mission are to become a trusted and well-respected consumer brand renowned for providing exceptional high-quality craft cannabis products to legal markets by delighting the most discerning of cannabis consumers.

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Advisory

Certain statements contained in this news release constitute forward-looking statements and future oriented financial information. These statements relate to future events. All statements other than statements of historical fact are forward-looking statements or future oriented financial information. The use of the words "anticipates", "should", ''may", "expected", "expects", "believes" and other words of a similar nature are intended to identify forward-looking statements or future oriented financial information. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such *forward-looking statements or, as applicable, future oriented financial information. Such statements include the statement with respect to the ruling of applicable judicial authorities having jurisdiction over Sugarbud's insolvency proceedings, the restructuring of Sugarbud's debts under the CCAA, and the expiry/renewal of the stay of proceedings under the CCAA. Although Sugarbud believes these statements to be reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements and future oriented financial information included in this news release should not be unduly relied upon. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to: Sugarbuds's continued viability as a going concern; the risk that Sugarbud may not become profitable; A&M's ability to complete a transaction pursuant to the terms of the Order; currently contemplated expansion and development plans may cease or otherwise change, production of cannabis may be lower than expected; ability to ship cannabis products may be lower than expected; demand for Sugarbud's products, assets or property may be lower than anticipated, results of production and sale activities; results of scientific research; changes in prices and costs of inputs; demand for products; failure of counter-parties to perform contractual obligations; failure to maintain consumer brand recognition and loyalty of customers; reliance on relationships with wholesalers and retailers for distribution of products and failure to maintain strategic business relationships; intense competition, including from illicit sources; uncertainty and continued evolution of markets; product liability litigation; reliance on information technology; infringement on intellectual property; failure to benefit from partnerships; sensitivity of end-customers to increased sales taxes and economic conditions; failure to comply with certain regulations; departure of key management personal or inability to attract and retain talent; actions and initiatives of federal and provincial governments and changes to government actions; initiatives and policies and the execution and impact thereof; 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; risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks which can have a significant impact on the size and quality of the harvest of cannabis crops; competition from other industry participants; and other factors more fully described from time to time in the reports and filings made by Sugarbud with security regulatory authorities.*

Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements as a result of prevailing economic conditions, and other factors, many of which are beyond the control of Sugarbud. Although Sugarbud believes these statements to be reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. The forward-looking statements contained in this news release represent Sugarbud's expectations as of the date hereof and are subject to change after such date. Sugarbud disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable securities regulations.

Neither the TSX-V nor its Regulation Service Provider (as that term is defined in policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this news release.