

CGOC Announces Bhang Transactions

TORONTO, July 20, 2020 /CNW/ - Cannabis Growth Opportunity Corporation ("**CGOC**", or the "**Company**") (CSE: CGOC), a cannabis focused investment corporation with both public and private cannabis holdings, announced today that the Company has completed a number of transactions with Bhang Inc. ("**Bhang**").

Pursuant to a settlement agreement dated July 17, 2020 (the "**Settlement Agreement**"), the Company and Bhang have settled two convertible promissory notes in the aggregate principal amount of \$600,000 (collectively, the "**Notes**") by Bhang issuing to the Company a total of 6,666,667 common shares of Bhang, at a deemed price of \$0.09 per share. Furthermore, CGOC has settled and released all other rights and remedies available to the Company for all matters relating to prior Bhang financings and default of the Notes in exchange for a lump sum payment of \$1,152,857 which was satisfied by Bhang with (i) the issuance of a total of 12,809,524 common shares of Bhang, at a deemed price of \$0.09 per share, and (ii) the issuance of warrants for the purchase of 5,261,905 common shares of Bhang, exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.15 per share.

On July 17, 2020, the Company and Bhang also entered into an operating credit facility (the "**Credit Facility**") whereby CGOC is to provide up to the aggregate principal amount of \$1,000,000 to Bhang for general working capital needs. The Credit Facility bears interest at a rate of 8% per annum on all advances and will mature 36 months from the date of entry. The Credit Facility is secured by a charge on all of the current and future assets, undertakings and properties of Bhang and its subsidiaries pursuant to general security agreements. At the option of CGOC, all advances and accrued interest on the Credit Facility are convertible into common shares of Bhang at a price of \$0.15 per share. Furthermore, in connection with the Credit Facility, Bhang issued to the Company warrants for the purchase of 6,666,667 common shares of Bhang, exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.15 per share. As of the date hereof, CGOC has advanced a total of \$256,087, of which, \$197,435 was advanced as cash and \$58,652 of accrued interest on the Notes was rolled into the Credit Facility.

Early Warning Disclosure Pursuant to National Instrument 62-103

Prior to entry into the Settlement Agreement and the Credit Facility, the Company held 18,068,642 common shares of Bhang, warrants exercisable for the purchase of 3,571,428 common shares of Bhang and the Notes. As of the date hereof, after giving effect to the Settlement Agreement and entry into the Credit Facility, the Company beneficially owns or controls 37,544,833 common shares of Bhang, warrants exercisable for the purchase of 15,500,000 common shares of Bhang (collectively, the "**Bhang Warrants**") and the Credit Facility, representing approximately 40.27% of the issued and outstanding common shares of Bhang on a non-diluted basis and approximately 52.41% of the issued and outstanding common shares of Bhang on a partially diluted basis, assuming the exercise of all of the Bhang Warrants and the conversion of the maximum advance and interest payable on the Credit Facility.

The common shares of Bhang and the Bhang Warrants were acquired for investment purposes. While Company currently has no plans or intentions with respect to its securities of Bhang, the Company may from time to time acquire additional securities of Bhang, may sell all or a portion of its securities of Bhang or may continue to hold the common shares of Bhang, the Bhang Warrants, the Credit Facility or other securities of Bhang, depending on market conditions, the Company's view of Bhang's prospects, other investment opportunities and other factors considered relevant the Company.

A copy of the early warning report to be filed by the Company will be available under Bhang's issuer profile on SEDAR at www.sedar.com or by contacting Sean Conacher, CEO at 416.912.2932. The Company's head office is located at 240 Richmond Street West, Suite 4164, Toronto, Ontario, M5V 1V6.

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 US states and the #1 and #2 edible of 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!

About CGOC

CGOC is an investment corporation that offers unique global exposure to the emerging global cannabis sector. CGOC's main objective is to provide shareholders long-term total return through its actively managed portfolio of securities, both public and private, operating in, or that derive a portion of their revenue or earnings from products or services related to the cannabis industry.

Forward-looking Statements

This press release contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated in those forward-looking statements and information. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the Company's business plan and matters relating thereto, and risks associated with the Company's investments and financial objectives, as well as other risks and uncertainties, including but not limited to those detailed from time to time in the Company's public filings on SEDAR. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

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

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