



HAND CRAFTED | SELECT BATCH | ULTRA PREMIUM

OCTOBER, 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; THE INTENTION TO BECOME A CERTIFIED ORGANIC CANNABIS GROWER; THE USE OF SUGAR-BASED NUTRIENTS; THE CONSTRUCTION OF A CANNABIS EXTRACTION AND TESTING FACILITY AT STAVELY 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, UNDUE 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.C., 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.

READERS ARE CAUTIONED THAT THE ASSUMPTIONS USED IN THE PREPARATION OF FORWARD-LOOKING INFORMATION, ALTHOUGH CONSIDERED REASONABLE AT THE TIME OF PREPARATION, MAY PROVE TO BE IMPRECISE. SUGARBUD'S ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENT COULD DIFFER MATERIALLY FROM THOSE EXPRESSED IN, OR IMPLIED BY, THESE FORWARD-LOOKING STATEMENTS AND ACCORDINGLY THERE CAN BE NO ASSURANCE THAT SUCH EXPECTATIONS WILL BE REALIZED AND/OR WHAT BENEFITS SUGARBUD WILL DERIVE THEREFROM. THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESENTATION IS MADE AS OF THE DATE HEREOF AND SUGARBUD UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING INFORMATION, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, UNLESS REQUIRED BY APPLICABLE SECURITIES LAWS. THE FORWARD LOOKING INFORMATION CONTAINED IN THIS PRESENTATION IS EXPRESSLY QUALIFIED BY THIS CAUTIONARY STATEMENT.

CERTAIN INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM PUBLISHED SOURCES PREPARED BY INDEPENDENT INDUSTRY ANALYSTS AND THIRD-PARTY SOURCES (INCLUDING INDUSTRY PUBLICATIONS, SURVEYS AND FORECASTS). WHILE SUCH INFORMATION IS BELIEVED TO BE RELIABLE FOR THE PURPOSE USED HEREIN, NONE OF THE DIRECTORS, OFFICERS, OWNERS, MANAGERS, PARTNERS, CONSULTANTS, SHAREHOLDERS, EMPLOYEES, AFFILIATES OR REPRESENTATIVES ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION. NONE OF THE SOURCES CITED IN THIS PRESENTATION HAVE CONSENTED TO THE INCLUSION OF ANY DATA FROM THEIR REPORTS, NOR HAS SUGARBUD SOUGHT THEIR CONSENT.



DISCLAIMERS (CONTINUED)

FOFI DISCLOSURE. THIS PRESENTATION CONTAINS FUTURE-ORIENTED FINANCIAL INFORMATION AND FINANCIAL OUTLOOK INFORMATION (COLLECTIVELY, "FOFI") ABOUT SUGARBUD'S PROSPECTIVE OPERATIONS, REVENUE, CASH FLOW, EXPENSES, PROFIT AND COMPONENTS THEREOF, ALL OF WHICH ARE SUBJECT TO THE SAME ASSUMPTIONS, RISK FACTORS, LIMITATIONS AND QUALIFICATIONS AS SET FORTH IN THE ABOVE PARAGRAPHS. FOFI CONTAINED IN THIS PRESENTATION WAS MADE AS OF THE DATE OF THIS PRESENTATION AND WAS PROVIDED FOR THE PURPOSE OF PROVIDING FURTHER INFORMATION ABOUT SUGARBUD'S ANTICIPATED FUTURE BUSINESS OPERATIONS. SUGARBUD DISCLAIMS ANY INTENTION OR OBLIGATION TO UPDATE OR REVISE ANY FOFI CONTAINED IN THIS PRESENTATION, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, UNLESS REQUIRED PURSUANT TO APPLICABLE LAW. READERS ARE CAUTIONED THAT THE FOFI CONTAINED IN THIS PRESENTATION SHOULD NOT BE USED FOR PURPOSES OTHER THAN FOR WHICH IT IS DISCLOSED HEREIN.

NOT AN OFFER. THIS PRESENTATION DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER FOR SALE OR SOLICITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR SECURITIES NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH, OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THE SOLE PURPOSE OF THIS PRESENTATION, IN PAPER OR ELECTRONIC FORM, IS STRICTLY FOR INFORMATION PURPOSES.

THIS PRESENTATION IS NOT AN OFFER OF THE SECURITIES FOR SALE IN THE UNITED STATES. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION. THIS PRESENTATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

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 (GMCF/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**



SUMMARY

COMPELLING GROUND FLOOR CANNABIS INVESTMENT OPPORTUNITY

TSX-V: RRL

TICKER TO CHANGE
TO "SUGR" WITHIN WEEKS

STRONG TEAM

MIX OF CANNABIS, TRANSACTION, BUSINESS
AND REGULATORY EXPERIENCE

ACMPR
APPLICANT

CULTIVATION LICENSE
EXPECTED Q4 2018

~\$10M

CASH POST RIGHTS OFFERING
(APPROX. OCT. 17)

~30M

EST. ENTERPRISE VALUE POST
RIGHTS OFFERING

~\$0.13

SHARE PRICE
OCTOBER 3, 2018

~20%

INSIDER OWNERSHIP

- BUSINESS PLAN:** COMPREHENSIVE BUSINESS PLAN FOCUSED ON THE CULTIVATION, PROCESSING/EXTRACTION AND DISTRIBUTION OF PREMIUM CANNABIS PRODUCTS WITH A TRACK RECORD OF PAST EXECUTION
- CHANGE OF BUSINESS:** CONDITIONAL APPROVAL FROM TSX-V FOR "CHANGE OF BUSINESS" TO BECOME A CANNABIS COMPANY ON THE TSX-V AND TO CHANGE OUR NAME TO SUGARBUD
- DIFFERENTIATION:** AEROPONICS, VERTICAL GROWING, CONTROL OF GROWING ENVIRONMENTS, QUALITY CONTROL, TOP-TIER GENETICS, COMPELLING BRAND, AND STRONG TEAM TO DRIVE COMPETITIVE ADVANTAGE
- ACCESS TO CAPITAL:**
 - OVER-SUBSCRIBED \$8.25 MILLION FINANCING IN MARCH, 2018
 - FULLY-SUBSCRIBED RIGHTS OFFERING OF \$7.4 MILLION IN SEPTEMBER, 2018
 - COMMITMENT LETTER FOR \$17.65 MILLION SIGNED WITH FARM CREDIT CANADA
- TEAM:** COMMITTED TEAM WITH A TRACK RECORD OF SUCCESS AND SIGNIFICANT "SKIN IN THE GAME"
- CATALYSTS:** NEAR-TERM CATALYSTS PROVIDE COMPELLING GROUND FLOOR INVESTMENT OPPORTUNITY

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

MANAGER, 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 articled 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.

LANI TUVESON SECURITY LEAD

Ms. Tuveson has an extensive background in computer programming and is proficient in mastering new software and computer systems. She has a wealth of IT knowledge, profound attention to detail and is an excellent mentor.

KRISTY REYNOLDS OFFICE & HR MANAGER

Ms. Reynolds has extensive experience in office management, human resources, investor relations, and design. Ms. Reynolds assists the executive team with numerous mandates, and manages all office related activities, human resources, and IT services. Ms. Reynolds is currently in charge of the development of SugarBud’s new website, which will be published in the coming weeks.

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.

WILLIAM MACDONALD

DIRECTOR

Mr. Macdonald brings over 40 years of deal making, financing and capital markets experience, including specialization in embryonic corporate opportunities in both the public and private marketplaces. He has coordinated investments in over sixty start-ups since 2001, reporting on quarterly financials to a prominent Toronto family office. He has extensive experience with publicly listed companies and has been involved in four TSX-V recapitalizations in the last five years, and two IPO filings on the CSE. Since June 1995, Mr. Macdonald has served as the President of Bilmac Resources Ltd., an oil and gas consulting firm specializing in start-up financings. He currently serves on the Boards of Inner Spirit Holdings (CSE), Target Capital (TSX-V/CSE) and SugarBud Craft Growers (TSX-V), all of which are engaged in cannabis related projects.

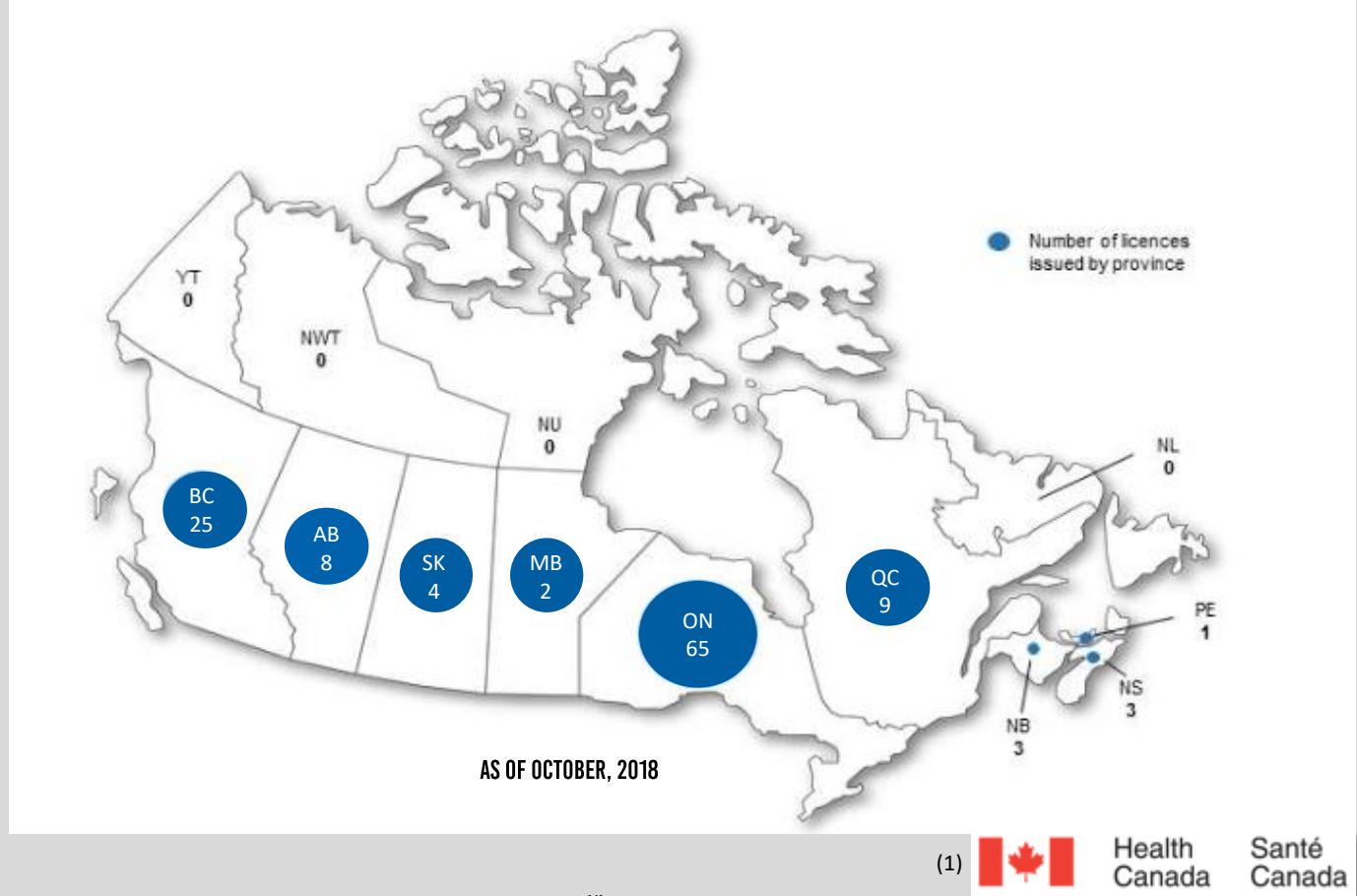
Mr. Dietrich has decades of technical experience and in-depth knowledge of cannabis flower and hashish production, extraction, breeding and genetics. Mr. Dietrich holds a Health Canada ACMPR cannabis production license. Mr. Dietrich holds a B.Sc. Degree, a post-graduate teaching certification, an MBA in finance and marketing from Kellogg and Wharton, and a certificate in cannabis plant production and facility management through Kwantlyn University. Mr. Dietrich has been a Director of Concrest Corporation Ltd. since 1985, and in 2011 co-founded S.E. Asia-based precious metals mining exploration company Locrian Resources Inc., where he currently sits on the Board. Mr. Dietrich joined cannabis LP applicant Grunewahl Organics Inc. in 2017, where he is Chief Executive Officer and Director, and recently joined Flower Capital Advisory Corp. in 2018 as a cannabis consultant and Director.

JOSEPH DIETRICH

DIRECTOR

THE ALBERTA ADVANTAGE

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



- TOTAL LICENSED PRODUCERS ("LPs") IN CANADA: 120 ⁽¹⁾
- WHAT ABOUT CALIFORNIA? THEY HAVE ~3,500 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

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

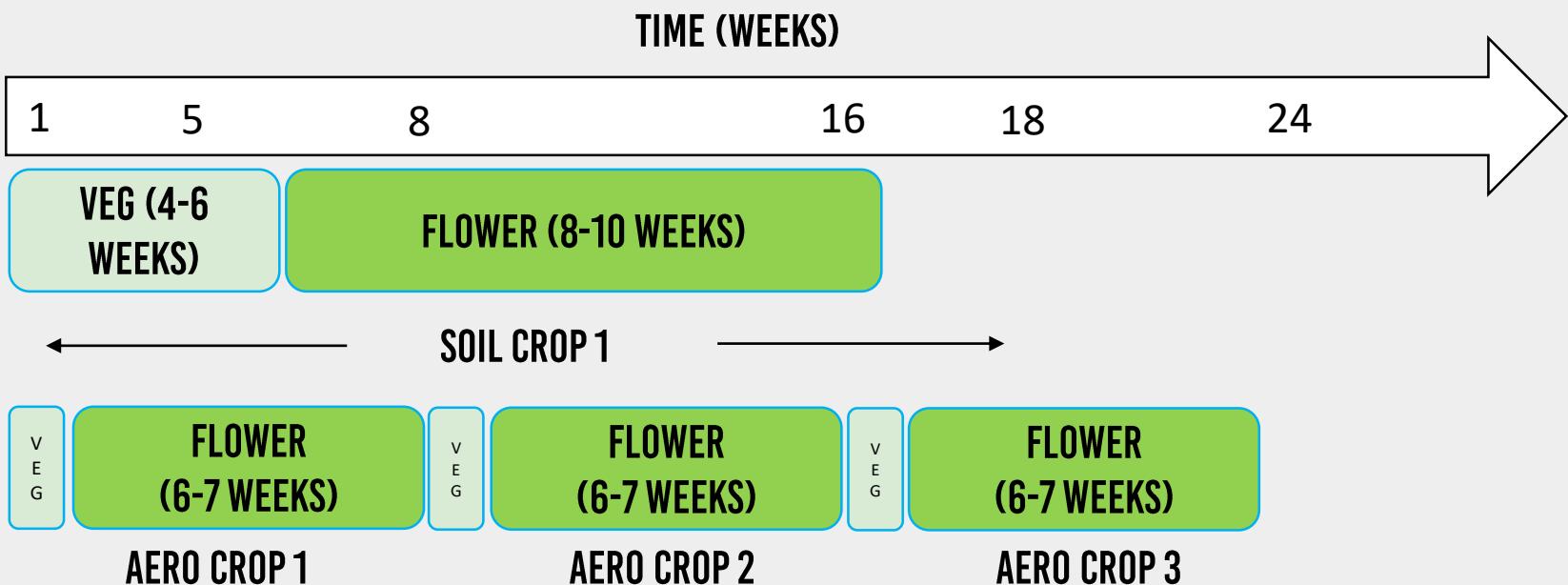
AERO: QUICKER GROWTH

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

WHY QMS?

CONSISTENCY AND RISK MITIGATION

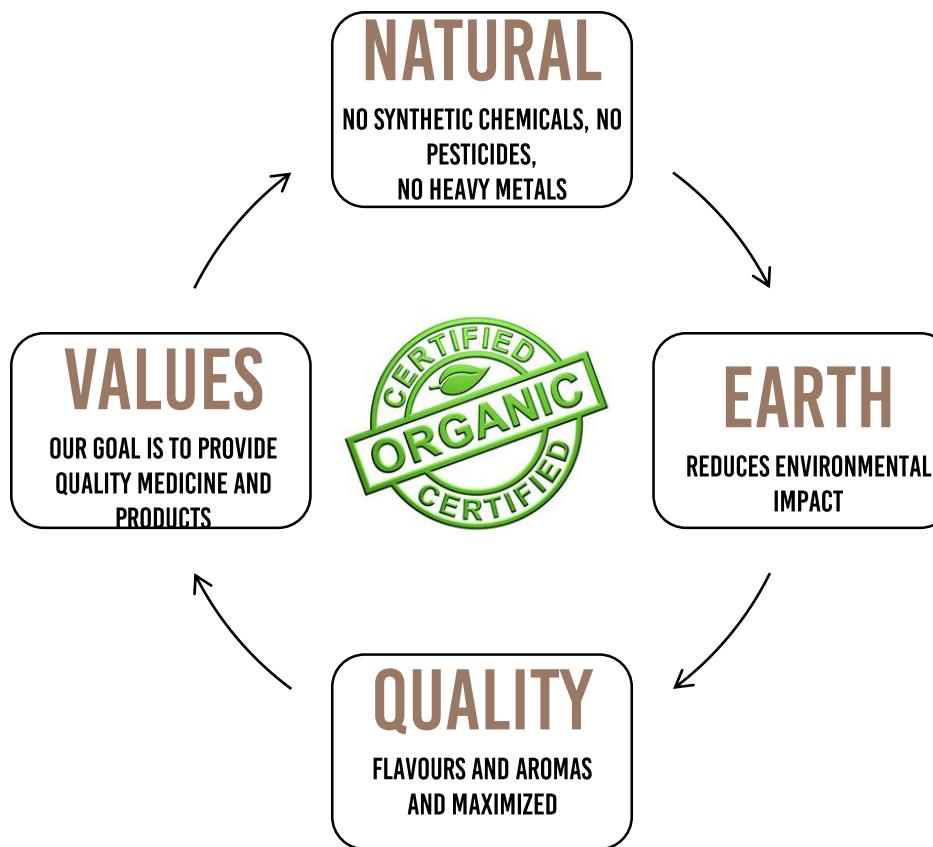
- QUALITY MANAGEMENT IS AT THE CORE OF EVERYTHING WE DO
- A QMS IS A SET OF POLICIES, PROCESSES AND PROCEDURES REQUIRED FOR PLANNING AND EXECUTION IN AREAS THAT CAN IMPACT THE ORGANIZATION'S ABILITY TO MEET CUSTOMER REQUIREMENTS *SOURCE ISO 9001*
- ISO 9001 IS AN EXAMPLE OF A QUALITY MANAGEMENT SYSTEM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



ORGANIC CERTIFICATION

SAFE AND RELIABLE PRODUCTS CRAFTED WITHOUT SYNTHETIC CHEMICALS OR PESTICIDES

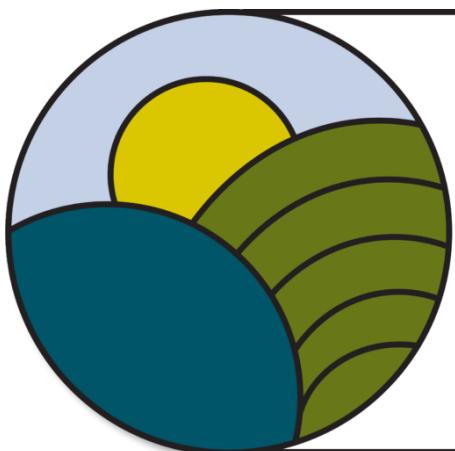
SUGARBUD IS WORKING WITH AN ORGANIC CERTIFICATION BODY WITH THE GOAL OF BECOMING A CERTIFIED ORGANIC CANNABIS GROWER





SUGAR-BASED NUTRIENTS

SUGARBUD TO PERFORM TRIALS WITH SUGAR BASED NUTRIENTS



WHY SUGR?

- SUGAR IS EASY FOR PLANTS TO ABSORB
- NO SYNTHETIC CHEMICALS
- HIGHLY EFFICIENT FOR PLANT GROWTH
- HELPS TO BUILD RESISTANCE TO PESTS AND PATHOGENS
- EACH FORMULATION IS SPECIFIC TO THE GROWTH CYCLE STAGE



PRODUCT BREADTH

EXTRACTION AND LAB SERVICES PLANNED AT STAVELY, ALBERTA

SUGARBUD PLANS TO CONSTRUCT A 10,000 SQUARE FOOT CANNABIS EXTRACTION AND TESTING FACILITY AT ITS STAVELY, ALBERTA SITE





GENETICS

LINE OF SIGHT TO 300+ TOP-TIER STRAINS

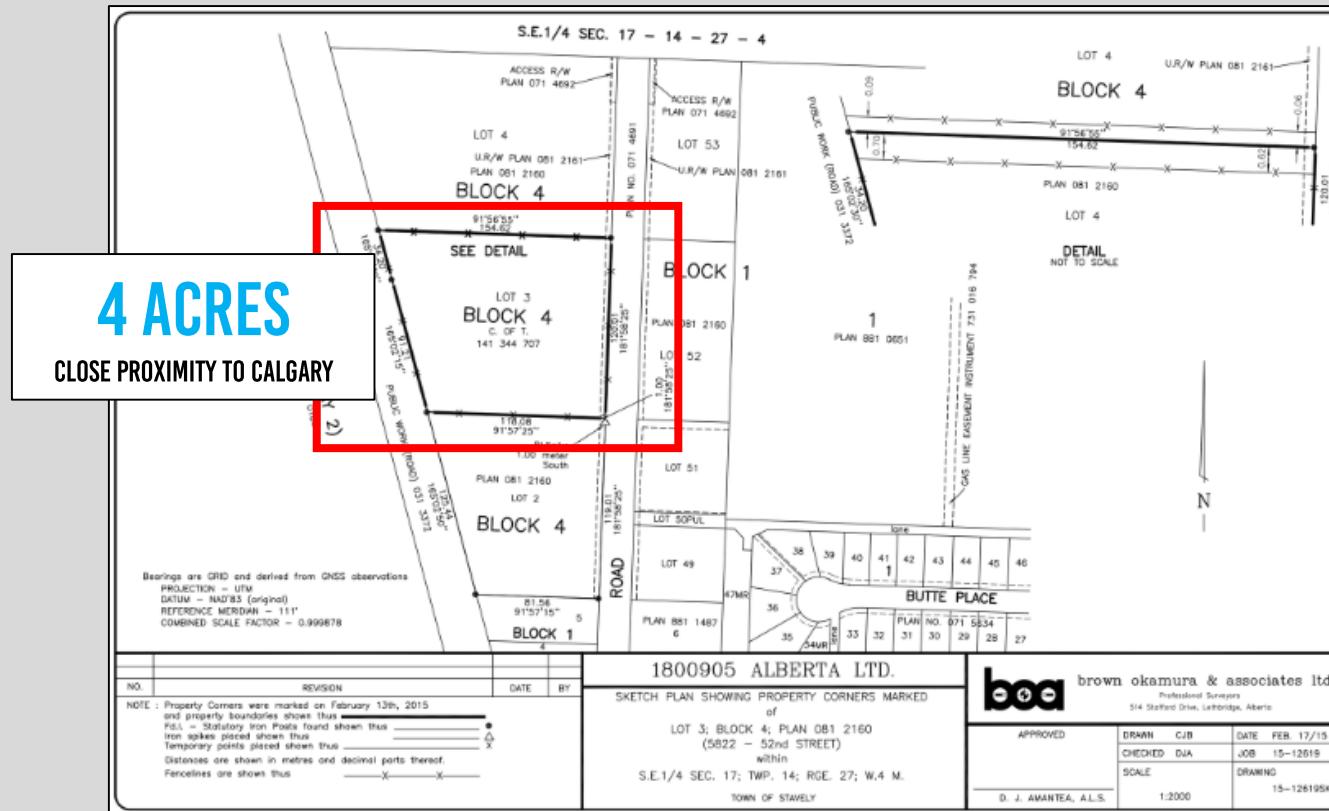
- LINE OF SIGHT TO 300+ TOP-TIER STRAINS
- ALL GENETICS TO BE PROFILED AND MAPPED
- SELECTIVE BREEDING INTENDED TO PROVIDE PRODUCTS THAT WILL BE IN-DEMAND AND “AHEAD OF THE CURVE”
- SUGARBUD TO OFFER INDICA, SATIVA, AND HYBRID STRAINS
- 1:1 STRAINS, HIGH THC STRAINS, HIGH CBD STRAINS



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 GRUNEWALD DEAL, EXPECTED ON OR ABOUT OCTOBER 17, 2018)
- HEALTH CANADA LICENSE APPLICATION SUBMITTED BY AN INDIRECT SUBSIDIARY OF GRUNEWALD IN JANUARY, 2014
- MUNICIPAL APPROVAL OBTAINED FOR CANNABIS CULTIVATION, FULL SUPPORT FROM LOCAL FIRE DEPARTMENT, RCMP, AND MP





STAVELY: PHASE 1 BUILDOUT

OUTER WALLS ARE UP! COMMENCING CONSTRUCTION ON INTERIOR





LAYERS/RACKING ILLUSTRATION

RACK AND ROLL WITH SMART GROW SYSTEMS ("SGS")

"VERTICAL FARMS DESIGNED TO WIN" SGS, 2018





STAVELY: PHASE 1 BUILDOUT

CONSTRUCTION IN PROGRESS, 3 LAYERS OF AERO

~29,800 FT.²

FLOORPLATE

~27,000 FT.²

PHASE 1 FLOWERING CANOPY (3 LAYERS)

~9,000 KGS

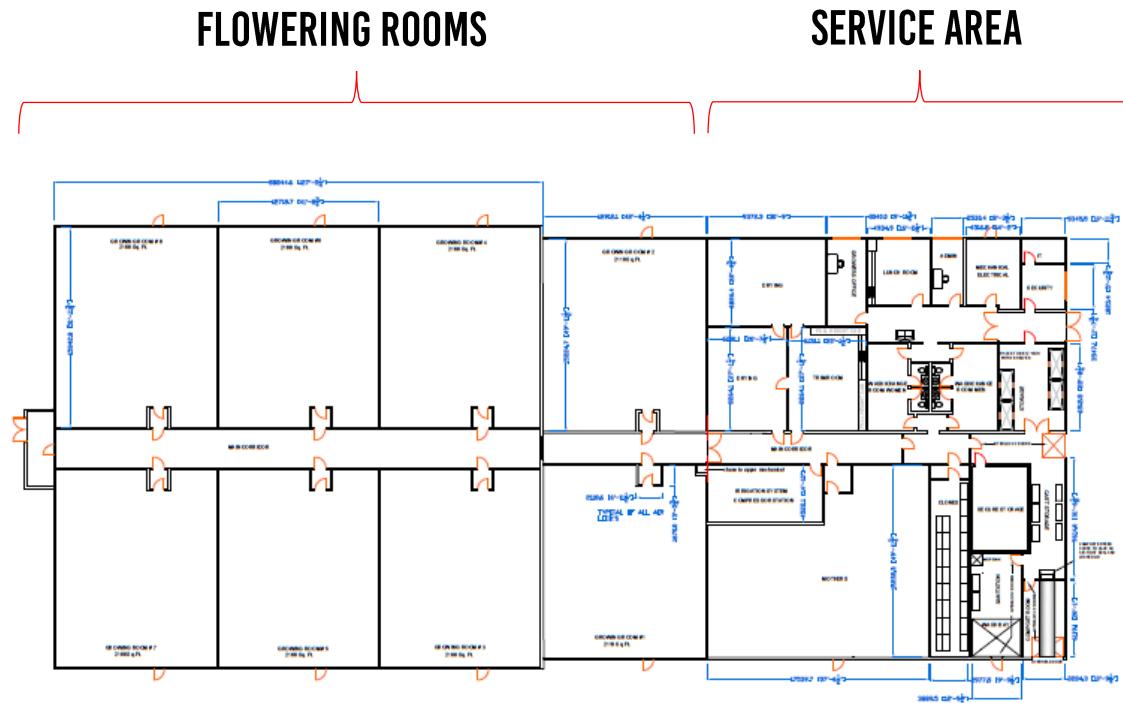
PHASE 1 DRIED FLOWER PRODUCTION PER YEAR

~164%

UTILIZATION OF FLOORPLATE

~\$15.3M

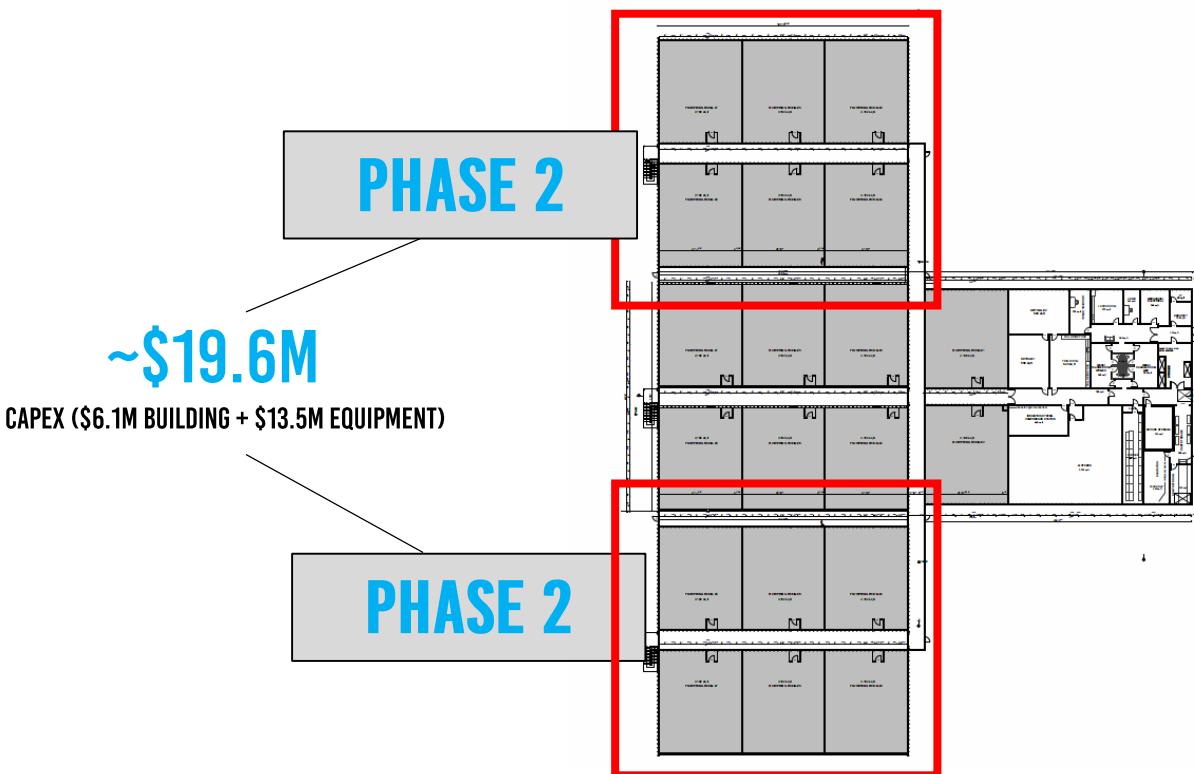
PHASE 1 CAPEX (\$6.7M BUILDING + \$8.6M EQUIPMENT)





STAVELY: PHASE 2 BUILDOUT

LARGE SCALE MODULAR BOLT-ONS, 3 LAYERS



~26,000 FT.²
FLOORPLATE, ALL FLOWERING SPACE

~43,200 FT.²
PHASE 2 FLOWERING CANOPY
(3 LAYERS)

~14,300 KGS
DRIED FLOWER PRODUCTION PER YEAR
PHASE 1 + 2 = ~23,200 KGS PER YEAR



FACILITY SUMMARY

AN IMPACTFUL ASSET DESIGNED TO MAXIMIZE QUALITY AND YIELD

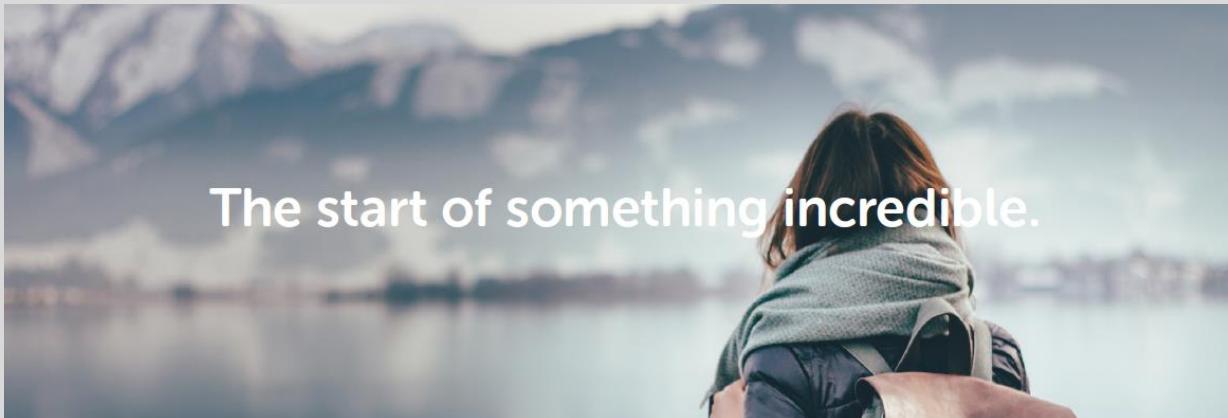
Phase (#)	Layers of Flowering Canopy (#)	Flowering Canopy (Square Feet)	Estimated Capital Cost (Millions)	Estimated Annual Dried Cannabis Flower Production (Kgs)
1	3	~27,000	~\$15.3	~9,000
2	3	~43,200	~\$19.6	~14,200
Total	N/A	~70,200	~\$34.9	~23,200





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 ON OR ABOUT OCTOBER 17, 2018

PRICE PAID = \$0.15 PER UNIT, CURRENT MARKET PRICE = ~\$0.30 PER COMMON SHARE

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 SUGARBUD
 - 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



RIGHTS OFFERING & CREDIT FACILITY

FULLY SUBSCRIBED RIGHTS OFFERING FOR PROCEEDS OF \$7.4 MILLION!

LINE OF SIGHT TO MATERIAL NON-DILUTIVE CAPITAL

EQUITY RAISED

~\$7.4M

FULLY-SUBSCRIBED RIGHTS OFFERING
SEPTEMBER 2018

NON-DILUTIVE FINANCING

~\$17.65M

COMMITMENT LETTER SIGNED WITH
FARM CREDIT CANADA

~\$1.5M

INSIDER PARTICIPATION

EQUIPMENT FINANCING

NEGOTIATING \$7 MILLION OF EQUIPMENT FINANCING
WITH A THIRD PARTY LENDER

~\$10M

POST RIGHTS OFFERING CASH IN BANK

WORKING CAPITAL FACILITY

NEGOTIATING \$2 MILLION WORKING CAPITAL FACILITY
WITH A THIRD PARTY LENDER



SELECTED CANNABIS COMPANIES

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

C\$ MILLIONS	PRODUCTION CAPACITY (KGS)					
COMPANY	MKT. CAP	EV	CURRENT	FUNDED	PLANNED	
CRONOS	\$ 1,933	\$ 1,970	6,650	110,500	117,150	
CANNTRUST	\$ 967	\$ 941	25,000	100,000	100,000	
EMERALD	\$ 525	\$ 457	7,000	7,000	89,500	
HYDROPOTHECARY	\$ 1,220	\$ 1,040	3,600	108,000	108,000	
SUPREME	\$ 565	\$ 524	13,333	50,000	50,000	
ORGANIGRAM	\$ 891	\$ 857	36,000	113,000	113,000	
MARICANN	\$ 540	\$ 423	6,250	95,000	95,000	
WEEDMD	\$ 217	\$ 203	1,200	33,000	50,000	
EMBLEM	\$ 195	\$ 141	2,000	17,000	70,000	
AVERAGE OF SELECTED LPS	\$ 784	\$ 729	11,226	70,389	88,072	
SUGARBUD*	\$ 40	\$ 30	-	~9,000	23,200	

*POST CLOSING OF RIGHTS OFFERING

AS OF OCTOBER, 2018, INTERNALLY GENERATED, 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

ACHIEVE
FINAL
CHANGE OF
BUSINESS
APPROVAL
CONDITIONAL
APPROVAL
RECEIVED

~\$30 EV

SUGARBUD

CLOSE
GRUNEWALH
ACQUISITION
ALL SHARE DEAL

CLOSE
TRANCHE 2
OF INNER
SPIRIT
HOLDINGS
CLOSED
TRANCHE 1

BUILD
STAVELY
PHASE 1
OUTER
STRUCTURE
ERECTED,
CURRENTLY
BUILDING
INTERIOR

RECEIVE
LICENSE TO
CULTIVATE
TEAM HAS
RECEIVED THREE
CULTIVATION
LICENSES IN THE
PAST

ACCESS
ADDITIONAL
RETAIL
DISTRIBUTION
KEY STEP FOR ALL
LPS
VERTICALLY
INTEGRATE

RECEIVE
SALES
LICENSE
INCREASE MARGINS
AND PRODUCT
BREADTH

RECEIVE
EXTRACTION
AND LAB
LICENSES
INCREASE MARGINS
AND PRODUCT
BREADTH

BUILD
STAVELY
PHASE 2
ADD MATERIAL
PRODUCTION
CAPACITY

\$729 EV

VALUE PROPOSITION

SUGARBUD EV VS. SELECTED LPS (C\$ MILLIONS)

AVERAGE OF SELECTED LPS



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.



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