



Laguna Finalizes a 19% Equity Stake in Carlsbad Naturals, CBD Bottled Water and Makes a \$796,000 USD Payment in Cash and Common Shares

February 14, 2017 - Escondido, CA - Laguna Blends Inc. (CSE: LAG) (OTC: LAGBF) (Frankfurt: LB6A.F) (the “Company” or “Laguna”) is pleased to announce that it has secured a 19% equity stake in Carlsbad Naturals LLC, Nano-Amplified CBD Water and has made a \$796,000 USD payment to Carlsbad Naturals.

As previously announced on January 25, 2017 Laguna and Carlsbad entered into an equity acquisition agreement (“Equity Agreement”) for the purpose of pursuing mutually beneficial business opportunities in the Cannabidiol (CBD) bottled water Industry and CBD ingestible products Industry (the “Transaction”). Laguna has completed the purchase of nineteen percent (19%) equity interest in Carlsbad for a one-time payment of \$250,000 USD paid for in cash and \$546,000 paid for in Laguna common shares for a total purchase price of \$796,000.00 USD. Laguna is currently in discussions about acquiring additional equity interest, for majority control.

The common shares issued for the initial 19% are subject to lock up and or leak out provisions whereby the first 1/12 of the common shares will be released 4 months and a day after issuance. 1/12 will be issued every subsequent month thereafter.

Ray Grimm, President & CEO of Laguna Blends, said “Laguna has worked diligently to close the equity transaction and is very bullish on the future revenue potential of Carlsbad Naturals. As previously announced Laguna currently sub leases office and warehouse space to Carlsbad and our co-working relationship already has resulted in mutually beneficial opportunities.”

Troy Nihart, COO to Carlsbad Naturals, stated “Carlsbad and Laguna have a synergistic relationship, combining management and personnel. We are excited to have Laguna as a strategic partner and now as a shareholder in Carlsbad. I believe that this is the beginning of a very long and prosperous relationship.”

Carlsbad is a leader in the distribution and sales of CBD bottled water in the USA through its unique and proprietary process of infusing CBD’s through nanotechnology. Carlsbad Naturals has revenues of \$521,000 from September 1, 2016 - December 31, 2016. In addition to the current sales growth of Carlsbad, Laguna plans to generate CBD water sales through its Club 8 online marketplace and its B to B distribution channel in the USA and Canada.

About Carlsbad Naturals

Created by a team of doctors, Carlsbad Naturals brings cutting edge science to deliver nutrients and hydration in an effective way, naturally and responsibly. Applying quantum physics, our nanotechnology successfully increases the surface area of each substance we put in our water, so

that less is much more. Carlsbad Naturals is a market leader in the distribution and sales of CBD Water using its unique and proprietary process of infusing CBD's through nanotechnology. For more information about Carlsbad Naturals, please go to www.cbdnaturals.com

About Laguna Blends Inc.

Laguna Blends is a market leader in the distribution of Hemp and CBD products. Lagunas growth strategy includes acquiring and incubating companies who formulate and or manufacture Hemp products. Laguna Blends markets Hemp products utilizing its B to B Network along with driving traffic to its online marketplace. It's Lagunas intent to provide the highest quality hemp product experience for the end user, utilizing a proprietary nanotechnology in many of its consumable and topical skin care products. Laguna is currently seeking joint ventures and acquisitions to expand its portfolio and will aggressively begin international expansion into Asia and Europe in 2017.

ON BEHALF OF THE BOARD

“Ray Grimm Jr”

CEO, President & Director

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Forward-Looking Information: *This news release contains "forward-looking information" within the meaning of applicable securities laws relating to statements regarding the Company's business, products and future the Company's business, its product offerings and plans for sales and marketing. Although the Company believes that the expectations reflected in the forward looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Such forward looking statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contemplated by these statements depending on, among other things, the risks that the Company's products and plan will vary from those stated in this news release and the Company may not be able to carry out its business plans as expected. Except as required by law, the Company expressly disclaims any obligation, and does not intend, to update any forward looking statements or forward-looking information in this news release. Although the Company believes that the expectations reflected in the forward looking information are reasonable, there can be no assurance that such expectations will prove to be correct and makes no reference to profitability based on sales reported. The statements in this news release are made as of the date of this release.*