



Suite 518, Level 5  
165-167 Phillip Street  
Sydney NSW Australia 2000  
PO Box H100  
Australia Square NSW Australia 1215  
T +61 2 8098 0819  
F +61 2 8080 8315  
[www.mmjphytotech.com.au](http://www.mmjphytotech.com.au)  
[info@mmjphytotech.com.au](mailto:info@mmjphytotech.com.au)  
ABN 91 601 236 417

## ASX RELEASE

2 October 2018

### **Fire & Flower capital raising ahead of TSX-V listing**

**MMJ PhytoTech Limited (ASX: MMJ) ("MMJ")** is pleased to note the attached release confirming that Fire & Flower Inc. ("Fire & Flower") is to raise up to CAD\$30 million from equity instruments ahead of its proposed listing on the TSX Venture Exchange ("TSX-V").

MMJ has CAD\$1 million invested in Fire & Flower.

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#### **Investor and Media Enquiries**

Jason Conroy  
Chief Executive Officer  
[info@mmjphytotech.com.au](mailto:info@mmjphytotech.com.au)

#### **About MMJ**

*MMJ is a global cannabis investment company. MMJ owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, logistics, processing, cultivation, equipment and retail. For MMJ's latest investor presentation and news, please visit: <https://www.mmjphytotech.com.au/investors/>*

## CINAPORT ACQUISITION CORP. II

### Qualifying Transaction Update: Cinaport and Fire & Flower Announced Terms of Brokered Concurrent Private Placement

*Not for distribution to U.S. news wire services or dissemination in the United States.*

**Toronto, Ontario, September 28, 2018** – Cinaport Acquisition Corp. II (CPQ: TSX-V) (“**Cinaport**” or the “**Company**”), a capital pool company listed on the TSX Venture Exchange (the “**Exchange**”), and Fire & Flower Inc. (“**Fire & Flower**”) announced that further to the Company’s press release issued on September 13, 2018 with respect to its qualifying transaction (the “**Qualifying Transaction**”), Fire & Flower has finalized the terms of its previously announced brokered private placement (the “**Private Placement**”).

#### *Private Placement*

GMP Securities L.P. and AltaCorp Capital Inc. (the “**Co-Lead Agents**”), on behalf of a syndicate of agents (collectively, the “**Agents**”) have been engaged by Fire & Flower for the private placement offering of up to 20,000,000 subscription receipts (the “**Initial Receipts**”) at a price of \$1.50 per Initial Receipt (the “**Issue Price**”) for aggregate gross proceeds of up to \$30 million. The Agents will be granted an option (the “**Over-Allotment Option**”), exercisable up to 48 hours prior to the closing of the Private Placement, to sell up to such number of additional subscription receipts as is equal to 15% of the Initial Receipts sold pursuant to the Private Placement (together with the Initial Receipts, the “**Offered Receipts**”). Each Offered Receipt will be automatically exchanged, without payment of any additional consideration and without further action on the part of the holder thereof, for one common share of Fire & Flower (each, a “**F&F Common Share**”) upon satisfaction of the Escrow Release Conditions (as defined below), subject to adjustment in certain events, which shall be exchanged for common shares (the “**Resulting Issuer Shares**”) of the issuer resulting from the Qualifying Transaction (the “**Resulting Issuer**”) pursuant to the terms of the Qualifying Transaction.

The Private Placement is expected to close in October 2018 (the “**Closing**”). On the date of the Closing (the “**Closing Date**”), the gross proceeds from the Private Placement less the reasonable costs and expenses of the Agents and fifty percent (50%) of the Agents’ Cash Commission (as defined below) (the “**Escrow Proceeds**”, together with all interest and other income earned thereon, the “**Escrowed Funds**”) will be delivered to and held by an escrow agent mutually acceptable to Fire & Flower and the Agents (the “**Escrow Agent**”) subject to the following material escrow release conditions, among others (collectively, the “**Escrow Release Conditions**”):

1. written confirmation from each of Fire & Flower and Cinaport that all conditions to the completion of the Qualifying Transaction have been satisfied or waived, other than the release of the Escrowed Funds and the Closing of the Qualifying Transaction, each of which will be completed forthwith upon release of the Escrowed Funds;
2. the receipt of all shareholder and regulatory approvals required for the Qualifying Transaction;
3. the distribution of: (I) the F&F Common Shares underlying the Offered Receipts; and (II) the Resulting Issuer Shares to be issued in exchange for the F&F Common Shares pursuant to the Qualifying Transaction being exempt from applicable prospectus and registration requirements of applicable securities laws;
4. the Resulting Issuer Shares being conditionally approved for listing on the Exchange and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; and

5. Fire & Flower and the Co-Lead Agents (on their own behalf and on behalf of the other Agents) shall have delivered a release notice to the Escrow Agent confirming that all escrow release conditions have been satisfied (the “**Release Notice**”).

In the event that the Escrow Agent does not receive the Release Notice prior to 5:00 p.m. (Toronto time) on the date that is one hundred and twenty days (120) days after the Closing Date or such later date as may be approved by holders of at least 66 2/3% of the Offered Receipts (the “**Release Deadline**”), or if prior to such time, Fire & Flower advises the Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrow Agent will return to holders of Offered Receipts, within two business days of the Release Deadline or such earlier date, an amount equal to the aggregate issue price of the Offered Receipts held by them and their pro rata portion of any interest earned thereon (including any interest that would have been earned on 50% of the Cash Commission and the costs and expenses of the Agents paid on the Closing Date were such amounts included in the Escrowed Proceeds (net of any applicable withholding tax)). Fire & Flower will be responsible and liable, and shall promptly pay, to the holders of Offered Receipts for any shortfall between the Escrow Funds and the aggregate gross proceeds of the Private Placement (including any applicable interest and income payable or that would have been earned).

In connection with the Private Placement, Fire & Flower has agreed to pay the Agents a cash commission (the “**Cash Commission**”) equal to 6.0% of the gross proceeds of the Private Placement (provided that the Cash Commission payable shall be reduced in prescribed circumstances for certain investors identified by Fire & Flower). Fifty percent (50%) of the Cash Commission shall be paid to the Agents on the Closing Date. The remaining fifty percent (50%) of the Cash Commission shall be deposited into escrow on the Closing Date and released upon satisfaction of the Escrow Release Conditions and the release of the Escrowed Funds pursuant to the Release Notice and the terms of the definitive agreement governing the Offered Receipts, together with any interest earned thereon.

As additional consideration, the Agents will be granted on the Closing Date compensation options (“**Compensation Options**”) equal to 6.0% of the number of Offered Receipts issued under the Private Placement (provided that the number of Compensation Options issuable shall be reduced in prescribed circumstances for certain investors identified by Fire & Flower). Each Compensation Option will be exercisable for one (1) Resulting Issuer Share (subject to any necessary adjustments), as applicable, at the Issue Price (subject to any necessary adjustments, including to reflect the terms of the Qualifying Transaction) for a period of 12 months following the satisfaction of the Escrow Release Conditions.

The net proceeds raised from the Private Placement will be used by Fire & Flower for capital expenditures, working capital and general corporate purposes.

#### *Qualifying Transaction*

Pursuant to the terms of the binding letter of intent dated September 12, 2018 between Cinaport and Fire & Flower and the parties’ subsequent discussions with the Exchange regarding compliance with the applicable Exchange rules, the parties have agreed that prior to the closing of the Qualifying Transaction, Cinaport will consolidate its common shares (the “**Share Consolidation**”). The terms of the Qualifying Transaction will provide that, upon completion of the transaction, shareholders of Fire & Flower will receive one post-Share Consolidation Resulting Issuer Share for every F&F Common Share. In addition, all convertible securities, including options, warrants and compensation options, of Fire & Flower that are outstanding at the time of closing of the Qualifying Transaction will be exchanged for equivalent instruments of the Resulting Issuer exercisable for or convertible into post-Share Consolidation Resulting Issuer Shares. For greater certainty, all F&F Common Shares and Compensation Options to be issued pursuant to the Private Placement will be similarly exchanged for equivalent post-Share Consolidation Resulting Issuer Shares on the same one-for-one basis.

## **About Fire & Flower Inc.**

Fire & Flower is an independent retail chain that will offer cannabis products and accessories to the adult-use market in provinces where retail cannabis is legal upon the coming into force of Bill C-45 *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts* (the “**Cannabis Act**”) which is expected on October 17, 2018. Fire & Flower was founded by leading legal cannabis entrepreneurs in Canada, with over 60 years of combined experience in launching premium, successful business with extensive experience in the legal cannabis space.

Fire & Flower was incorporated under the *Canada Business Corporation Act* on March 17, 2017 and has since built its operations in anticipation of the Cannabis Act coming into force.

Subject to receipt of all applicable permits and licences, Fire & Flower intends to operate in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and other provinces and territories that allow for the private sale of retail cannabis.

For more information, please contact:

### Cinaport Acquisition Corp. II

Avi Grewal, Chief Executive Officer

Phone: (416) 213-8118 Ext. 210

E-mail: [agrewal@cinaport.com](mailto:agrewal@cinaport.com)

### Fire & Flower Inc.

Trevor Fencott, Chief Executive Officer

E-mail: [tfencott@fireandflower.com](mailto:tfencott@fireandflower.com)

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The 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 any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

*Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and, if applicable, pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required approval is obtained. There can be no assurance that the Qualifying Transaction will be completed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this press release.*

*CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed Qualifying Transaction; the terms and conditions of the proposed Private Placement; use of funds; and the business and operations of the Resulting Issuer after completion of the proposed Qualifying Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable,*

*are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; and the results of operations. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Cinaport and Fire & Flower disclaim 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 required by law.*

**Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this Press release.**