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## ASX RELEASE

5 November 2018

### Fire & Flower capital raising completed

**MMJ Group Holdings Limited (ASX: MMJ) ("MMJ")** is pleased to note the attached release confirming that Fire & Flower Inc. ("Fire & Flower") has raised CAD\$36.5 million, above its original target of 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 with a current market value of CAD\$2.4 million.

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#### Investor and Media Enquiries

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*"Market value" is unaudited and based on the most recent funding round share price. Market value also includes the unrealised gain arising from the positive difference between the most recent share price and the exercise price of unexercised warrants.*

#### About MMJ

*MMJ Group Holdings Limited (ABN 91 601 236 417) 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.mmjgh.com.au/investors/>*

#### Important Notice

*This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of MMJ. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of MMJ may be influenced by a number of factors, many of which are outside the control of MMJ. No representation or warranty, express or implied, is made by MMJ, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause MMJ's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. MMJ does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in MMJ. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). MMJ's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.*

## CINAPORT ACQUISITION CORP. II

### Cinaport and Fire & Flower Announce Closing of \$36.5 Million Financing

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

**Toronto, Ontario, November 2, 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**”), an independent retail chain that offers cannabis products and accessories, are pleased to announce that Fire & Flower has completed the previously announced private placement (the “**Private Placement**”) in connection with the previously announced proposed reverse takeover of the Company by Fire & Flower (the “**Qualifying Transaction**”).

The Private Placement was made through a syndicate of agents, led by GMP Securities L.P. and AltaCorp Capital Inc., and included Clarus Securities Inc., Echelon Wealth Partners Inc. and Eight Capital (collectively, the “**Agents**”). Pursuant to the Private Placement, Fire & Flower issued 24,333,334 subscription receipts (the “**Subscription Receipts**”) at a price of \$1.50 per Subscription Receipt for aggregate gross proceeds of \$36,500,001.

The gross proceeds from the Private Placement less a portion of the fees and expenses of the Agents (the “**Escrowed Funds**”) have been delivered to Computershare Trust Company of Canada (“**CTCC**”), as subscription receipt agent. The Escrowed Funds shall be held by CTCC until the waiver and/or satisfaction of certain escrow release conditions, including, but not limited to, the completion, satisfaction or waiver of all conditions precedent to the Qualifying Transaction (other than the release of the Escrowed Funds), the receipt of all shareholder and regulatory approvals required for the Qualifying Transaction and other customary escrow conditions for a transaction of this nature as described in the Company’s press release dated September 28, 2018 (the “**Escrow Release Conditions**”).

In connection with the Private Placement, Fire & Flower has paid the Agents cash consideration in the aggregate amount of \$1,926,330 (the “**Cash Consideration**”). Fifty percent (50%) of the Cash Consideration has been paid to the Agents and the remaining fifty percent (50%) of the Cash Consideration has been deposited into escrow and will be released upon satisfaction and/or waiver of the Escrow Release Conditions.

As an additional consideration, the Agents have received 1,284,220 Compensation Options (“**Compensation Options**”) in connection with the Private Placement. Each Compensation Option will be exercisable after the satisfaction and/or waiver of the Escrow Release Conditions for one (1) common share of the resulting issuer (each a “**Resulting Issuer Share**”) after giving effect to the Qualifying Transaction. Each Compensation Option will be exercisable for a Resulting Issuer Share at a price of \$1.50 until the date that is 12 months following the satisfaction and/or waiver of the Escrow Release Conditions (subject to any necessary adjustments, including those relevant to the terms of the Qualifying Transaction).

The Private Placement was completed in connection with the Qualifying Transaction between the Company and Fire & Flower, initially announced on September 13, 2018 and updated on October 31, 2018. Subject to approval by the Exchange, the Qualifying Transaction will be completed by way of a three-cornered amalgamation whereby Fire & Flower will amalgamate with 11048449 Canada Inc., a wholly-owned subsidiary of the Company. Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will be automatically exchanged, without payment of any additional consideration, for one common share of Fire & Flower, which will subsequently be exchanged for one Resulting Issuer Share pursuant to the terms of the Qualifying Transaction. In addition, the Compensation Options will also be exchanged for equivalent instruments of the Resulting Issuer exercisable for Resulting Issuer Shares.

Aside from Norman Inkster, a director of Fire & Flower, and his spouse, none of the Non-Arm's Length Parties (such term as defined in the policies of the Exchange) to the Company and Fire & Flower participated in the Private Placement.

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

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

Fire & Flower is an independent retail chain that offers cannabis products and accessories to the adult-use market in provinces where the sale of cannabis by private retailers is legal under: (a) *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts* (the "**Cannabis Act**") which came into effect on October 17, 2018; and (b) applicable provincial regimes for regulating the sale of cannabis by licensed private retailers. Fire & Flower was founded by leading legal cannabis entrepreneurs in Canada, with significant combined experience in launching premium, successful businesses with extensive experience in the legal cannabis space.

Fire & Flower was incorporated under the *Canada Business Corporation Act* on March 17, 2017.

Fire & Flower has obtained provincial licenses to operate six cannabis retail stores in Alberta and two cannabis retail stores in Saskatchewan, and is pursuing additional licenses to operate stores in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

For more information, please contact:

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*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 Company 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.**