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MPX International Establishes Operations in Thailand's Domestic Cannabis Market

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TORONTO, ONTARIO, and BANGKOK THAILAND, June 1, 2021 – **MPX International Corporation** (CSE:MPXI; OTC:MPXOF) ("**MPX International**", "**MPXI**" or the "**Corporation**"), a multinational diversified cannabis company, and its subsidiary, **Salus International Management Ltd.** ("**SIM**"), a management company currently focussed on operations in Southeast Asia, are pleased to announce that SIM has entered into a management agreement with **Salus Biocetical (Thailand) Co. Ltd.** ("**Salus Thailand**"), a Thailand-based medical cannabis company jointly owned by SIM and a consortium of Thai business people, whereby it will provide design, construction and technical support services, and ongoing management support of the project in exchange for management and other fees for the provision of its services. SIM's partners in Salus Thailand consist of a consortium of Thai business people who will play an active role in government relations, negotiation and maintenance of supply relationships with medical and commercial institutions throughout the country and will be working closely with the Rajamangala University of Technology Isan Sakonnakhon Campus (the "**University**") and Sarapee Community Enterprise Green and Clean (the "**Community Enterprise**") to ensure optimal benefits to local interests within Chiang Mai province.

SIM will provide financial backing to Salus Thailand for the development of a Thai GMP compliant research, cultivation and processing facility in Thailand's Chiang Mai province (the "**Thai Facility**") in the form of an interest-bearing, secured loan of up to a maximum of US\$9 million (C\$10,818,900). To date, SIM has raised approximately US\$6 million (C\$7,212,600) through the SIM Financing (which is defined and described below) from investors primarily in Thailand, Europe and Canada which is sufficient to fully fund the first two phases of the development of the Thai Facility, including cultivation, extraction, processing and distribution of high quality, Thai and EU-GMP medical grade cannabis products as well as CBD distillate/isolate for the domestic Thailand commercial market sourced from locally grown hemp.

MPXI has been issued 10 million SIM Shares with a pre-money valuation of US\$10 million (C\$12,021,000). Following the completion of the maximum funding amount of US\$9 million (C\$10,818,900) under the SIM Financing, SIM will have a maximum post-valuation of US\$19 million (C\$22,839,900).

MPXI's entrance into the Southeast Asia market further diversifies its opportunity to participate in global cannabis markets, complementing its European projects in Switzerland and Malta, its cultivation in South Africa, its distribution plans in Australia and its current and growing operations in Canada.

Cannabis in Thailand

Cannabis has been used extensively in Thailand as part of "Traditional Thai Medicine" for hundreds of years and, with the support of the Thai government, its use is being expanded into the public hospital system. Cannabis and cannabis derivatives must be prescribed by a medical practitioner and delivered through a hospital or medical clinic. There is concern that such products must be grown and processed in accordance with Thai GMP standards and that adequate supply be available to support the rapidly increasing demand for cannabis oils, topicals etc. With its population of almost 70 million and its history of using cannabinoid-based medicines, Thailand could quickly become one of the world's largest medical cannabis markets, perhaps second only to the United States.

"Salus Thailand and SIM management have consulted extensively with our University partners at Rajamangala University of Technology, the Thai FDA, the federal Government Pharmaceutical Office (the "GPO"), government representatives, hospital directors, clinics and others within Thailand to ensure that our proposed operations will be able to meet the expectations of all parties while remaining sensitive to the culture, regulatory environment and expectations of the University, the Thai government and the Thai medical community," commented W. Scott Boyes, MPXI's Chairman, President and CEO. "Plans have been finalized and construction has commenced on the erection of a group of structures at a site in the Doi Saket District of Chiang Mai province which will include 2,865 sq. m. (30,800 sq. ft.) of indoor cultivation and an additional building which will house a state-of-the art extraction and distillation laboratory for the manufacture of EU GMP-compliant medical cannabis products. We believe that we are the first North American medical cannabis company to enter the Thai market and are delighted to be able to contribute to the rapid growth of the cannabis industry in Thailand and, with exports now permitted by the Thai government, potentially, expand sales to the ASEAN community of nations and the entire Southeast Asia region. We see the emerging markets in Europe and Asia to be formidable with each one potentially larger than the projected size of that in North America and are actively establishing a foothold in both; a strategy that will add near-term value to the Corporation and its shareholders."

Medical cannabis containing formulations of CBD and THC are in very high demand in Thailand and are priced much higher than in the North American markets. Likewise high quality, commercial grade CBD distillate and isolate are currently sold for several multiples of U.S. prices (as high as US\$8,000 per liter). Imports are severely restricted and Salus already has indications of interest from several Thailand-based cosmetic, food and beverage manufacturers exceeding 7,000 liters of CBD distillate/isolate and is in negotiation with the GPO and several hospital groups for the offtake of GMP-grade medical cannabis distillate and, potentially (subject to Thai FDA and GPO approval), sublingual tablets and capsules, suppositories, transdermal patches and medical quality edibles.

Wittawin Vidthayanon, Director of Salus Thailand, observed, "Our company will focus on producing high quality products for the domestic market, and possibly future export to the ASEAN region and beyond. Initially, however, there is a significant and growing demand for

such products within Thailand and we expect this growth to continue to accelerate. MPXI, Salus International Management and Salus Bioceutical Thailand have assembled a strong management and advisory team that will collectively contribute to the success of this enterprise.”

The issuance of cannabis licenses in Thailand currently requires the written support of a local social enterprise and one or more medical or research institutions. Accordingly, Salus Thailand has partnered with the Community Enterprise and the University entering into memoranda of agreements (the “**MOAs**”) with each of the Community Enterprise and the University.

Thailand Facility and Domestic Thai Operations

Construction and equipment costs for the Thai facility are expected to be approximately US\$5 million (C\$6,010,500). Phase 1 construction has started and includes the extraction, processing and packaging operations. The project will support extraction requirements for Salus’ cultivation as well as that of the University along with the biomass from hemp cultivation by local farmers and other licensed cultivators in the region. This initial phase is expected to begin production in Q4 2021.

The Phase 1 processing facility will be followed in late Q4 2021 with the erection of a fabric dome specifically designed to house the medical cannabis cultivation and drying facilities with a first crop expected in Q1 2022 (“**Phase 2**”). An additional structure at the site will be converted in Q2 2022 (“**Phase 3**”) to provide for a combined 2,800 sq. m. (30,100 sq. ft.) of cultivation space capacity in Q2 2022 (“**Phase 3**”).

The project will also include a Cannabis Learning and Research Center to be operated in cooperation with the University and pilot farming of hemp and cannabis at five campuses of the University located all around North-Eastern Thailand.

SIM

SIM is a private Ontario corporation and a partially-owned subsidiary of MPX International Corporation along with a group of private shareholders. SIM was incorporated to provide design, planning, financing, training, and on-going operational support to cannabis initiatives, partnerships, and joint ventures in Southeast Asia. Its revenue is generated primarily from fees charged for the supply of management services.

Salus Thailand

Salus Thailand is a Thai company involved in the cultivation, processing and distribution of high-quality medical cannabis products to the medical community in Thailand, operating for the benefit of the health and well-being of the Thai people.

The Community Enterprise

The Community Enterprise, which is a collective of local farmers and citizens who participate in the activity of business operations within their province, will receive an annual stipend which will be used to support its activities and will participate in the outdoor and greenhouse cultivation of high-CBD/low-THC cannabis biomass. In addition, Salus Thailand will acquire the biomass to process into medical and wellness products for sale into the domestic Thai

market.

The University

The University is made up of a system of nine campuses in Thailand providing undergraduate and graduate level education. The University is a multi-technology campus formatted by a wide variety of teaching and learning to respond to the needs of students and community in the upper North-Eastern Thailand. Located in the province of Sakonnakhon, in Thailand's mountainous North-East, the University is the ideal institution for researching the agriculture and agronomy of the cannabis plant in the tropics. Salus Thailand has entered into an MOA with the University to co-operate with research and development of cannabis strains and medical cannabis products and for the cultivation of cannabis biomass will be subsequently acquired and processed into medical and wellness products by Salus Thailand for sale to the Thai market.

Financing

As set forth above, SIM completed a private placement financing (the **'SIM Financing'**) of approximately US\$6 million (C\$7,212,600) of units (the **"SIM Units"**) of SIM at a price of US\$1.00 (C\$1.20) per SIM Unit from investors in primarily in Thailand, Europe and Canada. SIM will use the proceeds to fully fund the first two phases of the development of a Thai GMP compliant research, cultivation and processing facility in Thailand's Chiang Mai province (the **"Thai Facility"**). Each SIM Unit in the SIM Financing consists of one (1) common share (a **"SIM Share"**) in the capital of SIM and one-half of one common share purchase warrant (a **"Warrant"**). Each Warrant entitles the holder thereof to acquire one SIM Share at a price of US\$1.50 (C\$1.80) for a period of twenty-four (24) months from the date of issue, subject to adjustment and acceleration in certain circumstances.

SIM will continue to accept investments up to approximately US\$3 million (C\$3,606,300) from prospective qualified investors under the current terms until June 30, 2021, at which time pricing may increase or SIM may elect to fund the third phase of further cultivation expansion using internally generated resources.

SIM may pay a cash placement fee equal to not more than 5% of the aggregate gross proceeds paid by each subscriber of SIM Units that are invested in the SIM Financing.

In addition, SIM may issue that number of common share purchase warrants (the **"Compensation Warrants"**) equal to not more than 2.5% of the aggregate number of SIM Shares issued as part of the SIM Units and underlying the Warrants as if exercised as of the closing date. The Compensation Warrants shall be exercisable at the Exercise Price for a period of two (2) years from the applicable closing date of the SIM Financing.

The cash placement fee will only be payable and the Compensation Warrants will only be issuable to third parties that have been formally engaged in order to assist with fund raising efforts.

About MPX International Corporation

MPX International Corporation is a multinational diversified cannabis company focused on developing and operating assets across the international cannabis industry with an

emphasis on cultivating, manufacturing and marketing products which include cannabinoids as their primary active ingredient. With current operations spanning five continents in Canada, Switzerland, South Africa, Malta, Australia and Thailand as well as evolving partnership and distribution opportunities in other jurisdictions, MPXI continues to position itself as an emergent global participant in the cannabis industry.

Cautionary Statement Regarding Forward-Looking Information

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, MPX International’s objectives and intentions. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause 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 and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; the Corporation’s ability to effectively deal with the restrictions, limitations and health issues presented by the COVID-19 pandemic; future cannabis pricing; cannabis cultivation yields; costs of inputs; its ability to market products successfully to its anticipated clients; reliance on key personnel and contracted relationships with third parties; the regulatory environment in Australia, Canada, Malta, South Africa, Switzerland and other international jurisdictions; the ability to complete any future potential transactions and the terms and conditions thereof; the application of federal, state, provincial, county and municipal laws; and the impact of increasing competition; those additional risks set out in MPX International’s public documents filed on SEDAR at www.sedar.com, including its audited annual consolidated financial statements for the financial years ended September 30, 2020 and 2019, and the corresponding management’s discussion and analysis; and other matters discussed in this news release. Although MPX International believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, MPX International disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

For further information about MPXI, please contact:

MPX International Corporation
Scott Boyes, Chairman, President and CEO
T: +1-416-840-4703
info@mpxinternationalcorp.com

or visit one our websites:

<https://mpxinternationalcorp.com>

<https://strainrec.ca>

<https://cbdetc.com>

<https://canveda.ca>

<https://holyworld.ch/en>

<https://miracbd.ca>

<https://spartannetwork.ca>

<http://mpxi.tv>

www.network.mothersmary.com

Salus Bioceutical (Thailand) Co. Ltd.
Wittawin Vidthayanon, Director
T:+6680-047-2244
wittawin@salusbioceutical.com