

July 2, 2020



MPX International Closes First Tranche of Non-Brokered Private Placement Offering for Gross Proceeds of C\$4.55 Million

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TORONTO, July 02, 2020 (GLOBE NEWSWIRE) -- **MPX International Corporation** (the "**Corporation**" or "**MPX**") (CSE: **MPXI**) is pleased to announce that it has successfully closed the first tranche of its previously announced non-brokered private placement offering (the "**Offering**") of units (the "**Units**") of the Corporation. The closing of the first tranche of the Offering resulted in the issuance of 3,348 Units at a price of US\$1,000.00 (C\$1,360) for aggregate gross proceeds of US\$3,348,000 (C\$4,553,280).

Each Unit consists of one 12% secured convertible debenture of the Corporation (a "**Debenture**") in the principal amount of US\$1,000.00 (the "**Principal Amount**") and 7,000 common share purchase warrants (each, a "**Warrant**"). The Debentures will have a maturity date of twenty-four (24) months from the date of issuance, subject to certain conversion privileges (the "**Maturity Date**") as set forth in a debenture indenture (the "**Debenture Indenture**") entered into with AST Trust Company (Canada) ("**AST**"). Each Debenture will rank *pari passu* in right of payment of principal and interest with all other Debentures issued under the Offering.

The Corporation intends to use the proceeds from the Offering to fund product and facility development in Switzerland and retail expansion in Canada as well as for working capital and other general corporate purposes.

Each Debenture shall bear interest at a rate of 12% per annum from the date of issue, payable quarterly in arrears on the last day of March, June, September and December in each year, commencing December 31, 2020 (each, a "**Coupon Date**"). The amount of interest that becomes payable on December 31, 2020 will represent accrued interest for the period from the Initial Closing Date to December 31, 2020. All accrued but unpaid interest as of each Coupon Date shall be payable by the Corporation in cash and shall accrue interest at a rate of 12% per annum.

The Principal Amount, shall be convertible, for no additional consideration, into common shares of the Corporation (the "**Common Shares**") at the option of the holder at any time

prior to the earlier of: (i) 6:00 p.m. (Eastern Standard Time) on the Maturity Date; or (ii) the business day immediately preceding the date specified by MPXI for redemption of the Debentures at a conversion price equal to C\$0.12 per Common Share.

Each Warrant entitles the holder thereof to purchase one Common Share (each, a **Warrant Share**) at an exercise price of C\$0.20 (the **Exercise Price**) for a period of twenty-four (24) months from the Closing Date (the **Expiry Date**). The Corporation and AST entered into a warrant indenture (the **Warrant Indenture**) pursuant to which the Warrants were created and issued.

It is a condition of the Offering that the Corporation execute and deliver a guarantee and certain security documents in favour of AST, as collateral agent, as security for the payment and performance of the Corporation's obligations under the Debenture Indenture. The Corporation also provided certain EBITDA covenants, agreed not to create, incur, assume or be liable for any indebtedness other than permitted indebtedness and the Debenture contains other default covenants consistent with this type of debt transaction.

Second Tranche and Related Party Transaction

The Corporation expects to complete a second tranche of the Offering following the release of the Corporation's interim financial statements for the three and six month period ended March 31, 2020 and related certifications; and the Corporation's management discussion and analysis for the three and six month period ended March 31, 2020 (the **Required Interim Filings**). The filing and delivery of the Required Interim Filings was delayed as a result of the COVID-19 pandemic and in accordance with Ontario Instrument 51-502 - *Temporary Exemption from Certain Corporate Finance Requirements of the Ontario Securities Commission* (the **Blanket Exemption Order**).

It is expected that the second closing of the Offering will result in the issuance of at least 300 Units at a price of US\$1,000.00 per Unit for gross proceeds of at least C\$408,000.00 and will take place on the third full trading day following the day on which the Required Interim Filings are filed on SEDAR and a corresponding news release is issued by the Corporation due to the participation of certain insiders of the Corporation as subscribers.

The Corporation is still intending on filing and delivering the Required Interim Filings by July 15, 2020.

The second tranche of the Offering can be considered a Related Party Transaction for certain regulatory purposes. The participation by the insiders in the second tranche of the Offering is summarized as follows:

Name	Relationship to the Corporation	Interest in the Offering		Common Shares directly or indirectly, beneficially owned or control	Percentage of Common Shares of MPXI
		Amount C\$	# of Units		
W. Scott Boyes	Chairman, President, CEO and Director	\$136,000	100	4,532,350	3.20 %
Alastair Crawford	Director	\$136,000	100	8,134,472	5.74 %
TOTALS		\$272,000	200	12,666,822	8.94 %

It is important to note that the Offering is exempt from valuation and minority approval requirements which might otherwise result from the participation by insiders due to: (1) the Corporation, as a CSE issuer, not being listed on a designated market; and (2) the fair market value of the Offering, insofar as the Offering involves such interested parties, is less than \$2,500,000.

To the knowledge of the Corporation, after reasonable inquiry, none of the related parties have knowledge of any material information concerning the Corporation or its securities that has not been generally disclosed.

A special committee of independent directors (the “**Special Committee**”) reviewed the Offering and determined that as a CSE issuer MPXI is not listed on a specified market and the fair market value of the Offering, in so far as it involves related parties, is not more than \$2,500,000. The Special Committee unanimously recommended that the board of directors of the Corporation (the “**Board**”) approve the Offering. Accordingly, the Offering is exempt from minority shareholder approval and formal valuation requirements of MI 61-101.

The Offering is closing in less than 21 days due to the limited number of subscribers to the Offering, all subscription agreements being properly completed and received, and all subscription proceeds having been forwarded, which shorter period is reasonable in the circumstances. MI 61-101 requires if a material change report is filed less than 21 days before the expected date of the closing of the transaction, an explanation is to be provided why the shorter period is reasonable or necessary in the circumstances.

Appointment of Saul Greenblatt to Advisory Board

The Corporation is also pleased to announce that Saul Greenblatt, a nominee as a director of the Corporation, has been appointed to the Corporation’s advisory board.

The securities issued pursuant to the Offering and the Private Placement have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About MPX International Corporation

MPX International Corporation is a multinational diversified cannabis company focused on developing and operating assets across the global cannabis industry with an emphasis on cultivating, manufacturing and marketing products which include cannabinoids as their primary active ingredient.

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; 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, 2019 and 2018 and the corresponding annual 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.

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For additional information on MPXI visit our website www.mpxinternationalcorp.com or <http://mpxi.tv>.



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