

# 48North Closes Previously Announced Bought Deal for Total Gross Proceeds of \$28.75 Million



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TORONTO, April 2, 2019 /CNW/ - 48North Cannabis Corp. ("48North" or the "Company") (TSXV:NRTH) is pleased to announce that the Company has closed its previously announced "bought deal" short form prospectus offering of units ("Units") of the Company ("Offering") for total gross proceeds of approximately \$28.75 million, which included the exercise of the over-allotment option granted to the Underwriters (defined below) in full. Pursuant to the Offering, 21,139,760 Units were sold at a price per Unit of \$1.36 ("Issue Price") for gross proceeds of \$28,750,073.60. The Offering was completed by a syndicate of underwriters including Eight Capital, as sole bookrunner and lead underwriter, and Canaccord Genuity Corp. ("Underwriters").

Each Unit was comprised of one common share of the Company ("Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.72, for a period of 60 months following the closing of the Offering. If the volume weighted average price

of the Common Shares on the TSX Venture Exchange is equal to or greater than \$3.30 for any 10 consecutive trading days, the Company may, within 10 days of the occurrence of such event, provide written notice to the holders of Warrants, supplemented by way of news release, of the acceleration of the expiry date of the Warrants to the date that is 30 days following the date of such written notice.

As consideration for their services, the Underwriters received a cash commission equal to 6.0% of the gross proceeds of the Offering (excluding proceeds derived from certain purchasers on the Company's president's list, for which the cash commission was reduced to 3.0%). As additional consideration, the Company issued a total of 1,195,416 compensation options to the Underwriters. Each compensation option is exercisable into one Unit at the Issue Price until April 2, 2022.

As described in the Prospectus (defined herein), the Company, subject to applicable regulatory approvals, intends to use the proceeds to develop its indoor cannabis production facility located in Brantford, Ontario and its 100-acre outdoor farm in Brant County, Ontario, as well as for general corporate and other working capital purposes.

"48North is pleased to announce that it has closed its previously announced bought deal. 48North will use the proceeds of the Offering to execute on its business plan, namely developing its proposed 100-acre outdoor cultivation site in Brant County, and the distribution of next-generation cannabis products to consumers for retail sale in Canada come October 2019", said Alison Gordon, co-CEO of 48North.

The Units were offered and sold by way of a short form prospectus dated March 26, 2019 (the "Prospectus") filed in each of the provinces of Canada, excluding Quebec.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

## About 48North

48North Cannabis Corp. (TSXV: NRTH) is a vertically integrated cannabis company focused on the health and wellness market through cultivation and extraction, as well as the creation of innovative, authentic brands for next-generation cannabis products. 48North is developing formulations and manufacturing capabilities for its own proprietary products, as well as positioning itself to contract manufacture similar products for third parties. 48North operates two indoor-licensed cannabis production sites in Ontario. 48North cultivates unique genetics at its wholly owned subsidiaries, DelShen Therapeutics Corp. ("DelShen") and 2599760 Ontario Corp. dba Good & Green ("Good & Green"), both Licensed Producers under the Cannabis Act. In addition, subject to Health Canada approval, 48North expects to operate a 100-acre organic farm providing 48North with organic, sun-grown cannabis securing a significant first-mover advantage in the production of low-cost, next-generation, extract-based cannabis products. 48North has a growing portfolio of brands that include Latitude, a women's cannabis platform ([explorelatitude.com](http://explorelatitude.com)), Mother & Clone, a rapid-acting sublingual cannabis nanospray ([momandclone.com](http://momandclone.com)) and Avitas, a single strain vaporizer cartridge ([avitasgrown.com](http://avitasgrown.com)).

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*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this release. Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could," "intend," "expect," "believe," "will," "projected," "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Forward-looking information in this news release includes statements relating to the business plan and future operations of the Company, including its application with Health Canada for a cultivation licence for its 100-acre outdoor grow property. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the forward-looking information, including the possibility that the business plan described herein will not be completed, that 48North may not derive the expected benefits from such business plans, or that applicable regulatory approvals will be obtained to carry out the activities*

*contemplated herein. The business of the Company is subject to a number of material risks and uncertainties. Please refer to the Company's SEDAR filings for further details, including the risk factors in the annual information form of the Company dated March 12, 2019 and the Prospectus. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the Company being able to obtain the necessary corporate, regulatory and other third-party approvals, and licensing and other risks associated with the Cannabis Act. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

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