



Plus Products Announces Private Placement of Unsecured Convertible Note Units for up to C\$20 million

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San Mateo, CA – January 28, 2019 -- Plus Products Inc. (CSE: PLUS) (OTCQB: PLPRF) (the “Company” or “Plus Products”) is pleased to announce that it has entered into an agreement with a syndicate of agents led by Canaccord Genuity Corp. (the “Agents”) with respect to a private placement of unsecured convertible note units (the “Offering”).

Pursuant to the Offering, the Company has engaged the Agents to offer to sell, on a “best efforts”, private placement basis, up to C\$20 million of convertible note units (the “Units”) of the Company at a price of C\$1,000 per Unit, for aggregate gross proceeds of up to C\$20 million.

Each Unit is to be comprised of one C\$1,000 principal amount unsecured convertible note (each, a “Convertible Note”) accruing interest at 8% per annum, payable semi-annually in arrears until maturity, and 77 common share purchase warrants of the Company (each, a “Warrant”). The Convertible Notes will have a maturity date of 24 months from the closing date of the Offering.

Each Convertible Note shall be convertible into common shares in the capital of the Company (each, a “Conversion Share”) at a price of \$6.50 (the “Conversion Price”) per Conversion Share commencing on the date which is one year after the date of issuance of the Convertible Notes (the “Closing Date”) in tranches as set forth below. The principal amount of the Convertible Notes may be converted into Conversion Shares at a conversion price equal to the greater of: (i) 95% of the Volume Weighted Average Price for the common shares of the Company listed on the Canadian Securities Exchange (the “Exchange”) for the 30-day period ending three business days before the conversion date; and (ii) the Conversion Price. The Convertible Notes shall be convertible in tranches as follows:

- 33.3% - commencing on the 12 month anniversary of the Offering Date;
- a further 33.3% - commencing on the 18 month anniversary of the Offering Date; and
- a further 33.4% - commencing on the 24 month anniversary of the Offering Date.

Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company (each, a “Warrant Share”) for an exercise price of \$8.00 per Warrant Share for a period of five years following the Offering Date. If exercised during the first 12 months after the Offering Date, the underlying shares shall be subject to a 365-day contractual hold from the Offering Date, subject to adjustment in certain events.

The Convertible Notes will be unsecured obligations of the Company and shall rank pari passu in right of payment of principal and interest with all other Convertible Notes issued in the Offering and all other unsecured indebtedness of the Company.

The Company has granted the Agents an option to purchase up to an additional 3,000 Convertible Note Units (representing 15% of the gross proceeds of the Offering) exercisable by the Agents at any time up to 48 hours prior to the Offering Date.

Closing of the Offering is expected to occur on or about February 19, 2019.

The Convertible Debenture Units will be offered on a private placement basis in all Provinces and Territories of Canada, and in the United States on a private placement basis in reliance on Rule 506(b) of Regulation D or pursuant to other exemption(s) from the requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and in compliance with applicable United States federal securities laws and any "blue sky" laws or regulations of any state of the United States, and in such jurisdictions outside of Canada and the United States as determined by the Company and Canaccord Genuity Corp. on a private placement or equivalent basis.

The proceeds from the Offering will be used by the Company for working capital and other general corporate purposes.

The Offering is subject to certain conditions, including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including any approval of the Exchange.

The Convertible Note Units issued pursuant to the Offering and any common shares in the capital of the company issued on conversion of the Convertible Notes or exercise of the Warrants will be subject to a statutory hold period in Canada of four months and one day following the closing of the Offering in accordance with applicable securities laws. Additional resale restriction may be applicable under the laws of other jurisdictions, if any.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein, and these securities will not be offered or sold in any jurisdiction in which their offer or sale would be unlawful. The securities have not been and will not be registered under the U.S. Securities Act, or any state securities laws of the United States. Accordingly, these securities will not be offered or sold to persons within the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

About Plus Products

The Company is a branded products manufacturer based in California. Its products consist of cannabis-infused edibles, which it sells to both the regulated medicinal and adult-use recreational markets. PLUSTM is currently one of the fastest-growing edible brands in California with the State's top-selling products.

The Company's mission is to make cannabis safe and approachable - that starts with manufacturing high-quality products delivering consistent experiences. All products are produced in the Company's dedicated food-safe cannabis manufacturing facility in southern California.

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The CSE does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains statements and information that, to the extent that they are not historical fact, constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.