

Rubicon Organics Inc. Closes C\$11.8 million Upsized Special Warrant Private Placement

VANCOUVER, British Columbia - Rubicon Organics Inc. (the “Company” or “Rubicon Organics”) is pleased to announce the closing of its private placement offering (the “Offering”) of special warrants (the “Special Warrants”) for aggregate gross proceeds of approximately C\$11.8 million, upsized from C\$7.0 million. Canaccord Genuity Corp., as sole bookrunner, and Mackie Research Capital Corp., acted as co-lead agents on behalf of a syndicate including Haywood Securities Inc.

Pursuant to the Offering, the Company issued 3,635,744 Special Warrants at a price of C\$3.25 per Special Warrant. Each Special Warrant is exercisable, for no additional consideration and with no further action on the part of the holder, into units of the Company (the “Units”). Each Unit will consist of one Class A common share of the Company (a “Common Share”) and one-half of one Common Share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each Warrant will entitle the holder to purchase one Common Share at an exercise price of \$4.20 per Common Share until July 5, 2020, subject to adjustment in certain events.

Each Special Warrant shall be automatically exercisable, for no additional consideration, into one Unit on the date that is the earlier of: (i) the date that is five business days following the date on which the Company obtains a receipt from the applicable securities regulatory authorities in Canada (the “Securities Commissions”) for a final prospectus qualifying the distribution of the Units issuable upon exercise of the Special Warrants (the “Qualifying Prospectus”), and (ii) November 2, 2018.

The Company will use its commercially reasonable efforts to obtain a receipt from the Securities Commissions for the Qualifying Prospectus before November 2, 2018, provided, however, that there is no assurance that a Qualifying Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions.

Notwithstanding the foregoing, in the event the Company has not received a receipt from the Securities Commissions for the Qualifying Prospectus on or before 5:00 p.m. (PST) on November 2, 2018, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise thereof, for no additional consideration, 1.1 Units (the additional Units are collectively referred to herein as the “Penalty Units”) rather than one Unit; provided, however, that any fractional entitlement to Penalty Units will be rounded down to the nearest whole Penalty Unit.

Concurrent with the above Offering, Rubicon Organics has also completed the sale of a further 417,222 Units of the Company (each comprised of one Common Share and one-half of one Warrant) at C\$3.25 per Unit for gross proceeds of approximately C\$1.4 million, on a non-brokered private placement basis (the “Non-Brokered Offering”).

The Company intends to use the net proceeds of the Offering and Non-Brokered Offering for facility development, growth initiatives, working capital and general corporate purposes.

“We were very pleased with the level of interest from both the institutional and retail investment community. Significant single orders came in from both types of shareholders who believe in what the Company has achieved to date and our plans and prospects going forward. We have been fortunate to have strong shareholder support over the past three years allowing us to build our business and we welcome the new shareholders as we progress Rubicon Organics towards becoming a certified organic producer” said Jesse McConnell, Chief Executive Officer of Rubicon Organics.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of Rubicon Organics in the United States. The securities of Rubicon Organics 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 unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

On Behalf of the Board of Directors,

Rubicon Organics Inc.
Jesse McConnell
Chief Executive Officer & Director

ABOUT RUBICON ORGANICS INC.

Rubicon Organics is a vertically integrated cannabis company with operations in Canada, California and Washington. The Company holds the intellectual property to produce low-cost, premium quality Certified Organic Cannabis. Rubicon is working towards beginning cultivation in Q3 2018 with a combined Phase I capacity of 15,400 kg and planned expansion to 82,000 kg by 2020. The Company has two rapidly growing cannabis brands: 1964 Supply Co.™ in California and Doctor & Crook Co.™ in Washington sold by a state licensed processor.

Cautionary Statement Regarding Forward Looking Information

This press release contains forward-looking information within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding Rubicon Organics’ intended use of proceeds from the Offering and its non-brokered private placement, Rubicon Organics becoming a certified organic producer, Rubicon Organics working towards cultivation activities in Q3 2018 with a combined Phase I capacity of 15,400 kg and planned expansion to 82,000 kg by 2020 are “forward-looking information.” Forward-looking information can be identified by the use of words such as “plans” or “is expected”, or variations of

such words and phrases or statements that certain actions, events or results are “to begin”, “ramping up to”, “imminent”, “set to” or “will” be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements.

The forward looking information in this press release is based upon certain assumptions that management considers reasonable in the circumstances, including that its capital needs will be as currently projected, that Rubicon Organics will be able to successfully obtain all necessary permits and approvals to conduct its business as currently proposed to be conducted, that Rubicon Organics will not be prosecuted in the U.S. for its involvement in the cannabis industry.

Risks and uncertainties associated with the forward looking information in this press release include, among others, dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing state, local or other licenses and any inability to obtain all necessary governmental approvals licenses and permits to complete construction of its proposed facilities in a timely manner; engaging in activities which currently are illegal under U.S. federal law and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, particularly in California, due to inconsistent public opinion, perception of the medical-use and adult-use marijuana industry, bureaucratic delays or inefficiencies or any other reasons; any other factors or developments which may hinder market growth; Rubicon Organics’ limited operating history and lack of historical profits; reliance on management; and the effect of capital market conditions and other factors on capital availability; competition, including from more established or better financed competitors; and the need to secure and maintain corporate alliances and partnerships, including with customers and suppliers. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. Although Rubicon Organics has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements. Rubicon Organics assumes no obligation to update any forward-looking statement, even if new information becomes available as a result of future events, new information or for any other reason except as required by law.