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Emblem Corp. Announces \$10 Million Special Warrant Bought Deal Financing

Toronto, Ontario, January 5, 2017 – Emblem Corp. (the “**Company**”) (TSX-V: EMC) announces that it has entered into an engagement letter with PI Financial Corp., on behalf of a syndicate of underwriters, (collectively, the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase 2,754,821 special warrants of the Company (the “**Special Warrants**”) on an underwritten basis at a price per Special Warrant of \$3.63 for aggregate gross proceeds of \$10 million (the “**Offering**”). The Company has also granted the Underwriters an option to purchase up to an additional 15% of the base offering of Special Warrants, which option is exercisable by giving notice to the Company not less than 48-hours prior to the closing of the Offering. Closing of the Offering is expected to occur on January 26, 2017.

Each Special Warrant not previously exercised will be automatically exercised, without payment of additional consideration, on the earlier of: (i) the Qualification Deadline (as defined below); and (ii) the third business day after the Prospectus Qualification (as defined below). The holders of Special Warrants will receive, upon such deemed exercise and for no additional consideration, one unit of the Company (the “**Units**”) for each Special Warrant held. Each Unit will be comprised of one common share of the Company (the “**Common Shares**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to purchase one Common Share at an exercise price of \$4.75 for a period of 36 months from the date of closing of the Offering. The Warrants are subject to an accelerated expiry date upon notice from the Company if the volume weighted average trading price of the Common Shares is equal to or greater than \$7.00 over a period of ten consecutive trading days.

The Company has agreed to use its best efforts to obtain a receipt for a final short form prospectus qualifying the distribution of the Units upon exercise of the Special Warrants (the “**Prospectus Qualification**”) on or before the date that is 45 days following closing of the Offering (the “**Qualification Deadline**”). If the Prospectus Qualification does not occur before the Qualification Deadline, each holder shall be entitled to receive, without payment of additional consideration, 1.05 Units per Special Warrant. Unless the Prospectus Qualification occurs, securities issued in connection with the Offering will be subject to a 4-month hold period from the date of issue.

In consideration for their services, the Underwriters will receive a cash commission equal to 7% of the gross proceeds of the Offering. The Company will also pay the lead Underwriter a corporate finance fee of \$75,000 on the closing of the Offering.

The Company intends to use the net proceeds of the Offering (including any proceeds received as a result of the exercise of the Underwriters’ option) to fund the planned expansion of its facility in Paris, Ontario and for general corporate purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities 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.

About Emblem

Emblem is licensed under the Access to Cannabis for Medical Purposes Regulations (the “**ACMPR**”) to cultivate and sell medical marihuana. Emblem carries out its principal activities producing marihuana from its facilities in Paris, Ontario pursuant to the provisions of the ACMPR and the *Controlled Drugs and Substances Act* (Canada) and its regulations.

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This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Emblem cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Emblem’s control. Such factors include those described in the Company’s Filing Statement dated November 30, 2016 filed with the Canadian Securities Administrators and available on www.sedar.com. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, Emblem undertakes no obligation to publicly update or revise forward-looking information.