



**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES**

Cloud Nine Announces Private Placement of Convertible Debentures

Vancouver, B.C. – (July 12, 2017) Cloud Nine Education Group Ltd. (the "**Company**" or "**Cloud Nine**") is pleased to announce that it intends to complete a non-brokered private placement of unsecured convertible debentures (the "**Private Placement**") in the principal amount of up to \$1,400,000 (the "**Debentures**"), maturing in 18 months after closing of the Private Placement (the "**Maturity Date**"). From and after the date of issue of the Debentures until the Maturity Date, the Debentures will be convertible into common shares of Cloud Nine at the option of the holder at a conversion price of \$0.14 per share (the "**Conversion Price**"). Interest on the Debentures shall be paid semi-annually in arrears at an interest rate of 12% per annum.

The Company has the right to convert the Debentures into common shares of the Company at the Conversion Price in the event the closing price of the Company's common shares on the Canadian Securities Exchange (or such other stock exchange on which the Company's common shares are then listed for trading) is greater than \$0.28 (subject to adjustment for any subdivision, consolidation, merger, amalgamation, reorganization, plan of arrangement or reclassification pursuant to the Articles) for a period of 10 consecutive trading days.

The Company intends to use the proceeds from the Private Placement to pay out an existing loan which will leave assets unencumbered, and for general working capital.

Closing of the Private Placement is subject to all necessary regulatory and stock exchange approvals. All securities issued in connection with the Private Placement will be subject to a four-month hold period from the date of issue under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

About Cloud Nine

Cloud Nine is a Canadian company specializing in the development and sale of its proprietary Cloud Nine ESL Program. The curriculum is technologically advanced and meets the needs of today's increasingly mobile student. Tablets replace textbooks and the cloud hosted course content provides the equivalent of more than 30,000 pages of learning materials including URL links, instructional videos and embedded exercises for a monthly licensing fee that is competitive with the cost of textbooks.

The Company also owns and operates Cloud Nine College, an accredited ESL school located in Vancouver.

For more information regarding Cloud Nine, please contact:

Michael Hunter
President and Chief Executive Officer
Telephone: +1.604.377.5572
mhunter@c9eq.com

Forward-Looking Information

This press release contains statements including "forward-looking information" ("Forward-looking statements"). Forward-looking statements in this news release including statements regarding the possible completion of a private placement and the intended use of proceeds from the private placement. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that the Company believes are reasonable, including that the Company is able to obtain any required government or other regulatory approvals to complete the Company's planned private placement and that the Company is able to complete the private placement. However, the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such uncertainties and risks may include, among others, that the private placement will not complete, and delays in obtaining or failure to obtain required government or other regulatory approvals or financing. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

This news release does not constitute an offer to sell or solicitation of an offer to sell any 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 or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.