

CLOUD NINE EDUCATION GROUP LTD.

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CSE: CNI

CLOUD NINE EDUCATION GROUP LTD. ANNOUNCES CLOSING OF CONVERTIBLE DEBENTURE OFFERING

Vancouver, B.C. – January 18, 2021 – Cloud Nine Education Group Ltd. (CSE:CNI) (the “**Company**”) today announced that it has closed a non-brokered private placement financing (the “**Debenture Financing**”) of secured convertible debentures (each, a “**Debenture**”) pursuant to which the Company issued Debentures in the aggregate principal amount of \$1,199,599.98.

The terms of the Debentures include:

- a maturity date of one year from the date of issuance (the “**Maturity Date**”) and the principal amount of the Debenture, together with any accrued and unpaid interest, will be payable on the Maturity Date, unless earlier converted in accordance with its terms;
- each Debenture bears interest (the “**Interest**”) at the rate of 5% per annum, which Interest will be payable on the Maturity Date, unless earlier converted; and
- the principal amount of a Debenture, together with all accrued and unpaid interest thereon, is convertible into units of the Company at the option of the holder (each, a “**Debenture Unit**”) at a conversion price of \$0.06 per Debenture Unit, with each Debenture Unit comprised of one common share of the Company (each, a “**Debenture Share**”) and one transferable share purchase warrant (each, a “**Debenture Warrant**”), with each Debenture Warrant exercisable into one additional Debenture Share (each, a “**Debenture Warrant Share**”) at an exercise price of \$0.07 per Debenture Warrant Share for a period of two (2) years from the date of conversion.

Repayment by the Company of amounts owing under the Debentures is secured by a charge over all of the assets of the Company. All subscribers to the Debenture Financing entered into an agency and inter-lender agreement with the Company, pursuant to which the subscribers have appointed an agent to act on their behalf as to certain matters relating to the Debentures, including with respect to enforcement of the security interest.

The proceeds of the Debenture Financing are expected to be used for general working capital and payables.

None of the securities issued in connection with the Debenture Financing or the debenture conversion will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

ON BEHALF OF THE BOARD

CLOUD NINE EDUCATION GROUP LTD.

"Allan Larmour"

Allan Larmour

President and Chief Executive Officer

Tel. 778-240-7724

Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy of accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contain herein.

Disclaimer for Forward-Looking Information

Certain statements in this press release are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the use of proceeds of the Debenture Financing. Such statements are qualified in their entirety by the inherent risks and uncertainties that the proceeds of the Debenture Financing may be used other than as set out in this news release and other factors beyond the control of the Company. Such forward-looking statements should therefore be construed in light of such factors, and the Company is not under any obligation, 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.