Cansortium Announces Amendment to Convertible Notes

08/17/2020

MIAMI, Aug. 17, 2020 /PRNewswire/ - Cansortium Inc. (CSE:TIUM.U) (OTCQB: CNTMF) ("**Cansortium**" or the "**Company**"), a vertically integrated cannabis company with operations in Florida, Texas, Michigan and Pennsylvania, announces an amendment to its convertible notes (the "**Notes**") which were previously issued in February of 2019. At that time, the Company completed a convertible note private placement financing (the "**Convertible Note Financing**") through the issuance of the Notes in the aggregate principal amount of U.S.$10,000,021.50 at 12% interest per annum with a maturity date of eighteen (18) months. The Company completed the Convertible Note Financing in four (4) tranches, on February 13, 14, 15 and 25, 2019.

Pursuant to a recent meeting of Noteholders, the Company has reached an agreement with the holders of the Notes (the "**Noteholders**") to extend the maturity date of the Notes until December 31, 2020; and if Noteholders representing more than 50% of the principal and accrued and unpaid interest owing under the Notes agree in writing (without the necessity of calling a further meeting of Noteholders), then the maturity date of the Notes shall be automatically further extended until February 28, 2021.

The Company has agreed to issue common shares of the Company at a deemed value of U.S.$0.45 per common share, in satisfaction of all unpaid interest on the Notes accrued up to August 15, 2020, being U.S.$1,962,485.62.

The Company has also agreed to pay an extension fee equivalent to 1% of the total principal amount and accrued interest outstanding on the Notes as at August 15, 2020 (the "**Extension Fee**"), being U.S.$119,265.07. The Extension Fee will be satisfied by the Company through the issuance of common shares of the Company at U.S.$0.45 per share to the Noteholders on a pro-rata basis.

All other terms of the Notes remain unchanged such that, at the option of the Noteholder, the principal amount of each Note is convertible into Note Units (as herein defined) at any time at U.S.$2.00 per unit. The accrued interest on each Note at the time of conversion is convertible into Note Units at the closing trading price of the Company's common shares on the CSE on the trading day prior to conversion. Each "**Note Unit**" is comprised of one (1) common share of the Company and one-half of one common share purchase warrant. Each such whole warrant will entitle the holder thereof to purchase one (1) common share of the Company at an exercise price of U.S.$2.60 for a period of 24 months from the applicable closing date of the Convertible Note Financing.

The Company's indirect wholly owned subsidiary, Cansortium Holdings LLC, provided a guarantee and a pledge agreement for its membership interests held in Cansortium Texas, LLC in favour of the Noteholders.

About Cansortium Inc.

Headquartered in Miami, Florida, and operating under the Fluent™ brand, Cansortium is focused on being the highest quality cannabis company in the State of Florida driven by unrelenting commitment to operational excellence from seed to sale. Cansortium has developed strong proficiencies in each of cultivation, processing, retail, and distribution activities, the result of successfully operating in the highly regulated cannabis industry. In addition to Florida, Cansortium is seeking to create significant shareholder value in the attractive markets of Texas, Michigan and Pennsylvania, where the Company has secured licenses and established operations.

Cansortium Inc.'s common shares and warrants trade on the CSE under the symbol "TIUM.U" and "TIUM.WT.U", respectively, and on the OTCQB Venture Market under the symbol (OTCQB: CNTMF). Investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on www.otcmarkets.com.

Forward-Looking Information

Certain information in this news release, may constitute forward-looking information. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this news release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the factors described in the public documents of the Company available at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The forward-looking statements contained in this news release are made as of the date of this news release, and the Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

View original content to download multimedia:http://www.prnewswire.com/news-releases/cansortium-announces-amendment-to-convertible-notes-301113119.html

SOURCE Cansortium Inc

www.getfluent.com; Cansortium Investors and Media: Marcos Pedreira, Chief Financial Officer, 786-530-3959, marcos.pedreira@getfluent.com, investors@cansortium.com