



Cansortium Announces Closing of US\$3 Million Private Placement

March 2, 2023

MIAMI, March 1, 2023 /CNW/ - [Cansortium Inc.](#) (CSE: TIUM.U) (OTCQX: CNTMF) ("Cansortium" or the "Company"), a vertically-integrated, multi-state cannabis company operating under the Fluent™ brand, is pleased to announce that on February 28, 2023 the Company closed a non-brokered private placement offering of 30,000,000 units of the Company ("Units") at a price of US\$0.10 per Unit for aggregate gross proceeds of US\$3,000,000 (the "Offering").



CANSORTIUM

Each Unit is comprised of one common share in the capital of the Company (a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one Share at an exercise price of US\$0.15 per Share for a period of 36 months following the closing date of the Offering.

The Company will use the net proceeds of the Offering for general corporate and working capital purposes.

All of the securities issuable in connection with the Offering are subject to a hold period expiring four months and one day after the date of issuance in accordance with Canadian securities laws.

The Offering also includes a subscription by a company controlled by William Smith ("Smith"), a director and the Executive Chairman of the Company, which constitutes a "related party transaction" as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("MI 61-101"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the Units does not exceed 25% of the Company's market capitalization.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, nor will they be registered under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, these securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Cansortium in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Early Warning Disclosure

Prior to (i) the acquisition by Smith on January 5, 2023 of 416,667 Common Shares in lieu of fees in Smith's capacity as a director of the Company, and (ii) the acquisition of Units by a company controlled by Smith as described herein, Smith, including companies he owns or controls (collectively, the "Smith Group"), held 250,000 options (each option to purchase one additional Common Share), 1,421,538 proportionate voting shares of the Company ("PVS") (representing approximately 54.5% of the then outstanding PVS) and 49,397,118 Common Shares (representing approximately 20.6% of the then outstanding Common Shares). Pursuant to the terms of a letter agreement dated as of January 15, 2020 among Endeavour Holdings LLC and certain founding shareholders of the Company, the Smith Group also remains entitled to receive 178,183.1 PVS and 734,962 Common Shares (the "Side Letter Entitlement"). The Common Shares and PVS held by the Smith Group represented approximately 23.9% of the then outstanding voting rights attached to the issued and outstanding voting securities of the Company (or approximately 24.7%, assuming the exercise of the warrants and the options and the receipt of the Side Letter Entitlement).

Following the acquisition described herein, the Smith Group holds 5,000,000 warrants (each warrant to purchase one additional Common Share), 250,000 options (each option to purchase one additional Common Share), 1,421,538 PVS (representing approximately 54.5% of the current outstanding PVS) and 59,813,785 Common Shares (representing approximately 22.1% of the current outstanding Common Shares). The Common Shares and PVS held by the Smith Group represent approximately 25.0% of all voting rights attached to the issued and outstanding voting securities of the Company (or approximately 26.9%, assuming the exercise of the warrants and the options and the receipt of the Side Letter Entitlement).

The Smith Group acquired the securities comprising the Units for investment purposes and may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over securities of Cansortium through market transactions, private agreements, treasury issuances, exercise of warrants or otherwise.

Pursuant to the terms of an agreement among the Company, certain of its affiliates and the Smith Group dated August 13, 2018, and as amended from time to time, Can Endeavour LLC ("Can Endeavour"), a company forming part of the Smith Group, has a contractual right to nominate two members to the board of directors of Consortium. Can Endeavour exercised such right to have Smith and Mark Eckenrode nominated to be re-elected as directors of the Company at the shareholder meeting of the Company held on July 21, 2022 and Smith and Mr. Eckenrode were in fact re-elected.

The Smith Group's address is 155 Middle Plantation Lane, Gulf Breeze, Florida 32561. Consortium's head office is located at 82 NE 26th Street, Unit 110, Miami, Florida, 33137. A copy of the Early Warning Report will be filed under the profile of Consortium on its profile on SEDAR at www.sedar.com. For further information or to obtain a copy of the Early Warning Report, please contact Carla Monterio at 416-216-4040.

About Consortium Inc.

Consortium is a vertically-integrated cannabis company with licenses and operations in Florida, Pennsylvania and Texas. The Company operates under the Fluent™ brand and is dedicated to being one of the highest quality cannabis companies for the communities it serves. This is driven by Consortium's unrelenting commitment to operational excellence in cultivation, production, distribution and retail. The Company is headquartered in Miami, Florida.

Consortium Inc.'s common shares trade on the CSE under the symbol "TIUM.U" and on the OTCQX Best Market under the symbol "CNTMF". For more information about the Company, please visit www.getfluent.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.

Company Contact

Robert Beasley, CEO
850-972-8077
investors.getfluent.com

Investor Relations Contact

Sean Mansouri, CFA
Elevate IR
720-330-2829
investors@consortiuminc.com

Media Contact

Patrick Maddox
501-680-5220
Fluent@mattio.com

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