

Fiore Cannabis Ltd. Announces Sale of Surplus Cannabis Licence to Fund Expansion of Apex Cultivation Facility

FIOR News Release
February 16, 2021

Kelowna, British Columbia — Fiore Cannabis Ltd. (CSE:FIOR) (OTCQX:FIORF) (“Fiore” or the “Company”), a licensed multi-state cannabis cultivator, producer and retailer, today announced that it has signed a non-binding Letter of Intent on February 15, 2021 to sell, through a wholly owned subsidiary, a surplus cultivation license for its Apex cannabis cultivation and production facility in Las Vegas, Nevada to Allied Corp. (OTCQB:ALID) (“Allied”)-for US\$1.5 million. A definitive agreement is expected to follow within 30 days. Allied is a company actively increasing its involvement in the international medical and speciality cannabis space.

“The licence sale we are negotiating with Allied pushes us further along our strategic path. We expect to work creatively and effectively with Allied’s CEO Calum Hughes and his team to make the licence productive and generate benefits for both companies. Funds from this sale can enable Fiore to speed up the expansion program for our Apex facility to enhance cultivation capacity and deliver additional cannabis products into the growing and high-margin Nevada market,” said Erik Anderson, President and CEO of Fiore Cannabis.

The two companies have developed initial terms that will see them working together as Allied constructs a facility which Fiore would then operate in partnership. A revenue-sharing agreement for incremental sales from the facility will be negotiated between the parties. Due to its expertise, Fiore will be assisting with the genetics and selection of cannabis strains for the Allied operation as well as consulting on the marketing of eventual cannabis products through Fiore’s already established medical and retail partnerships.

Fiore plans to apply the proceeds from this sale to its expansion program for the Apex facility. A significant increase of cultivation space is being considered at this time. Earlier this month, the Company reported successful crop results in January for the current footprint of the site which were sold immediately into the Nevada retail market.

About Fiore Cannabis Ltd.

Fiore Cannabis Ltd. (CSE:FIOR) (OTCQX:FIORF) is a publicly traded company that has been investing in the development of medical and recreational cannabis products since 2014. Fiore has expanded its operating portfolio to include cultivation, production and retail offerings in our key North American legal jurisdictions of Nevada and California. For more information, please visit www.fiorecannabis.com.

For Further Information

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Cannabis Industry Involvement

The Company owns marijuana licenses in California and Nevada. Marijuana is legal in each state; however, marijuana remains illegal under United States federal law and the approach to enforcement of U.S. federal law against marijuana is subject to change. Shareholders and investors need to be aware that federal enforcement actions could adversely affect their investments and that the Company's ability to support continuing U.S.-based operations and its access private and public capital could be materially adversely affected.

Forward-Looking Information

This news release contains forward-looking statements or information that relate to our current expectations and views of future events, including in respect of the future sale of the cultivation license, the entering into of definitive agreements in relation thereto, the strategic goals of the Company, the future growth and expansion plans for the Apex facility, the construction of the Allied facility, the collaboration between Allied and the Company in respect of a new facility, the entering into of a cost-sharing and revenue sharing arrangements between the Company and Allied, the involvement of the Company in the operation of such facility, the assistance by the Company with certain aspects of marketing and product development in collaboration with Allied and the use of proceeds of the sale of the cultivation licenses. Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate", "objective", "may", "will", "might", "should", "could", "can", "intend", "expect", "believe", "estimate", "predict", "potential", "plan", "is designed to", "project", "continue", or similar expressions suggest future outcomes or the negative thereof or similar variations. These forward-looking statements are based on the Company's current projections and expectations about future events and financial trends that management believes might affect its financial condition, results of operations, business strategy and financial needs, and on certain assumptions and analysis made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Such factors include, among others: the risks and uncertainties identified in the Company's reports and filings with the applicable Canadian securities regulators, risks and uncertainties related to the entering into of definitive agreements on terms acceptable to the Company or at all, risks and uncertainties related to the successful transfer of the cultivation license, receipt of the purchase price thereof, the effects and outcomes of any collaboration between the Company and Allied, changes to the legislative regime to which the Company and Allied are subject to, the cultivation, production and sale of cannabis products in Nevada and the saleability of future harvests. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.