



CANSORTIUM ANNOUNCES SECOND AMENDMENT TO CONVERTIBLE NOTES

Miami, Florida, February 1, 2021 – [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 the completion of the 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.

The Company had previously reached an agreement with the holders of the Notes (the “**Noteholders**”) to extend the maturity date of the Notes to February 28, 2021.

Further to the Company’s press release dated December 17, 2020, pursuant to a recent meeting of Noteholders, the Company has reached an agreement with the Noteholders to further amend the terms of the Notes and to extend the maturity date of the Notes until December 1, 2022.

The Company issued 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 January 31, 2021, being U.S.\$568,540.

The Company also agreed to pay an extension fee equivalent to 1% of the total principal amount and accrued interest outstanding on the Notes as at January 31, 2021 (the “**Extension Fee**”), being U.S.\$105,685.62. The Extension Fee was satisfied by the Company through the issuance of common shares of the Company at U.S.\$0.45 per share and 5,000,000 warrants (the “**Warrants**”) to the Noteholders on a pro-rata basis. Each Warrant is exercisable at U.S.\$0.60 until December 1, 2022.

Other significant amendments to the Notes include the following:

- **Payment of Interest post-closing.** Interest on the Notes shall be paid quarterly commencing at the end of the first quarter of 2021, 100% in cash or 50% cash and 50% in the common shares of the Company at the volume weighted average price of a common share for the ten trading days preceding the end of each quarterly period, with such option to either pay in cash or a mix of cash and shares to be at the discretion of the Company.
- **Conversion Price of Notes.** The conversion price of the Notes was amended from U.S.\$2.00 to U.S.\$0.60. The Company may force conversion if the Company’s common shares trade at U.S.\$0.96 or higher for 30 consecutive trading days and the average daily trading volume equals or exceeds 100,000 shares during such period.

- **Conversion.** The Notes were previously convertible into notes units ("**Note Units**"), with each Note Unit comprised of one common share and one-half of one common share purchase warrant, where each whole warrant was exercisable at U.S.\$2.60 until March 21, 2021 (for a total of approximately 2,500,000 warrants). The Notes were amended to be convertible into common shares of the Company only (at U.S.\$0.60).
- **Prepayment Right.** The Notes may be redeemed at the option of the Company provided that the Company delivers a redemption notice to the Noteholder on or before May 10, 2021. The Company shall have the right to redeem a principal amount of the Notes from each Noteholder such that the aggregate principal amount of Notes being redeemed from all Noteholders, in the aggregate, shall be up to a maximum of U.S.\$5,000,000, subject to adjustment pursuant to the terms of the Note.
- **Most Favored Nation.** If the Company renegotiates the terms of its convertible debentures previously issued pursuant to the secured trust indenture dated May 23, 2019, entered into among, *inter alios*, the Company and Capital Transfer Agency, ULC, as trustee, and such renegotiated terms have a more favorable conversion price or warrant exercise price than the Notes, then the conversion price of the Notes and the exercise price of the extension warrants shall be adjusted to the same conversion price and warrant exercise price as the renegotiated convertible debentures.
- **Security.** Each Noteholder remaining following any prepayment contemplated above shall share the rights to the existing collateral under the Notes on a *pari passu* basis with any new financing, provided that the aggregate principal amount of remaining Notes and any new financing shall not exceed U.S.\$10,000,021.50.

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

About Consortium Inc.

Headquartered in Miami, Florida, and operating under the Fluent™ brand, Consortium 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. Consortium 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, Consortium 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.

Consortium 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.

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