

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 - Name and Address of Company:

Cansortium Inc.
82 NE 26th Street, Unit 110
Miami, Florida 33137

Item 2 - Date of Material Change:

May 23, 2019

Item 3 - News Release:

The news release attached hereto as Schedule "A" was disseminated over Newsfile on May 23, 2019.

Item 4 - Summary of Material Change:

Cansortium Inc. (the "Corporation") announced that it completed a private placement of US\$27,144,000.

Item 5.1 - Full Description of Material Change:

For a full description of the material change, please refer to the press release of the Corporation dated May 23, 2019 attached hereto as Schedule "A".

Item 5.2 – Disclosure for Restructuring Transactions:

Not applicable.

Item 6 - Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7 - Omitted Information:

Not applicable.

Item 8 – Executive Officer:

The name and business number of an executive officer of the Corporation who is knowledgeable about the material change and this report is:

Jeffrey Reath
Corporate Secretary and Executive Vice-President
Tel: 506-871-6135

Item 9 - Date of Report

May 28, 2019

Schedule “A”

See attached.



CANSORTIUM ANNOUNCES PRIVATE PLACEMENT OF US\$27,144,000 OF CONVERTIBLE DEBENTURES

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Miami, Florida, May 23, 2019 – Cansortium Inc. (“**Cansortium**” or the “**Company**”) (CSE:TIUM.U) is pleased to announce the closing today of its previously announced private placement financing conducted with Canaccord Genuity Corp. and Paradigm Capital Inc. (together with Canaccord Genuity Corp, the “**Agents**”). The Company issued on a private placement basis US\$27,144,000 aggregate principal amount of convertible debenture units (the “**Convertible Debenture Units**” or the “**Offered Securities**”) at an issue price of US\$1,000 per Convertible Debenture Unit. Each Convertible Debenture Unit consisted of (i) a senior secured convertible debenture of the Company having a face value of US\$1,000 (the “**Principal Amount**”) and accruing interest at 12.0% per annum (the “**Convertible Debentures**”) and (ii) 292 common share purchase warrants (the “**Warrants**”) of the Company (the “**Offering**”). Each Warrant will be exercisable to acquire one common share of the Company (a “**Warrant Share**”) at any time prior to March 21, 2021 at an exercise price of US\$2.40 per Warrant Share, subject to adjustment in certain events. US\$25,144,000 was raised pursuant to a brokered placement through the Agents and US\$2,000,000 was a non-brokered placement directly from the Company to investors.

The Convertible Debentures will bear interest from the Closing Date (as herein defined) at 12.0% per annum, with 6.0% payable quarterly in cash in arrears and 6.0% accruing and payable on the Maturity Date (as herein defined). The Convertible Debentures will mature on May 23, 2021 (the “**Maturity Date**”).

The principal amount and any accrued but unpaid interest in respect of each Convertible Debenture will be convertible at the option of the holder into common shares of the Company (the “**Common Shares**”) at any time prior to the close of business on the earlier of (i) the business day prior to the Maturity Date or (ii) the business day prior to any redemption or repurchase of the Convertible Debentures in accordance with their terms, subject to adjustment in certain events. The Convertible Debentures will be convertible into Common Shares at a conversion price of US\$2.10 per Common Share (the “**Conversion Price**”), subject to adjustment in certain events. Accrued and unpaid interest in respect of a Convertible Debenture converted at the election of the holder shall be converted at the Conversion Price.

Cansortium Founder and Chief Executive Officer Jose Hidalgo commented, “This funding will enable us to continue executing on our plans to expand into more highly-populous markets with high barriers to entry in which we are already well-positioned to establish Fluent™ as a leading medical cannabis brand. We look forward to putting these funds to work for the benefit of millions

of potential customers in those markets, and thank our investors for their continued support and confidence in our team."

The Agents were paid a cash commission equal to 4% of the Principal Amount of the Convertible Debentures issued pursuant to the brokered portion of the Offering and issued 478,933 non-transferable Compensation Options, with each Compensation Option entitling the holder thereof to acquire one common share of the Company (each a "**Compensation Share**") at an exercise price of US\$2.10 per Compensation Share for a period of two years following the Closing Date, subject to adjustment in certain events.

The obligations under the Convertible Debentures are collaterally secured by the following: (i) a general security agreement constituting a charge and security interest in all of the personal property of the Company; (ii) an unlimited guarantee of Consortium International Inc. and certain US based entities owned by the Company (directly or indirectly) consisting of Consortium Holdings LLC, Consortium Michigan LLC, Consortium Pennsylvania, LLC and Consortium Florida, LLC (collectively, the "**Guarantors**"); and (iii) a pledge of the membership interests of the Guarantors from the Company.

Upon a change of control of the Company, the Company shall within 30 days either: (i) offer to purchase the Convertible Debentures at a price equal to 101% of the Principal Amount thereof, plus accrued and unpaid interest; or (ii) cause the resulting entity to issue a replacement debenture on substantially the same economic and other terms as the Convertible Debentures.

The net proceeds of the Offering will be used for continued expansion of the Company's U.S. based markets, including Florida, Puerto Rico, Texas, Pennsylvania and Michigan and for general working capital purposes.

The Convertible Debentures, Warrants and any underlying securities shall be subject to a hold period of four months and a day from the Closing Date.

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 Consortium in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT CONSORTIUM

Consortium is a global medical cannabis company operating in highly populous medical cannabis markets with a mission to deliver the highest standards of cannabis care from nursery to lab to shelf. Headquartered in Miami, FL and operating under the newly-launched Fluent brand (formerly Knox Medical), the Company through its subsidiaries operates cultivation, processing and dispensary facilities across Florida, Texas, Puerto Rico and a dispensary license in Pennsylvania.

The Company also has licensed cultivation facilities in Colombia and Canada, with licensing pending in Michigan. For more information visit www.cansortium.com and www.getfluent.com.

Cansortium's common shares and warrants trade on the CSE under the symbol "TIUM.U" and "TIUM.WT.U" respectively.

For further information, contact:

Jeffrey Reath

Executive Vice-President, Finance and Investor Relations

506-871-6135

jeff@cansortium.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.