

Entheos Capital Corp. Completion of Non-Brokered Private Placement

Trading symbol: TSX-V-NEX: ENTH.H

VANCOUVER, May 22, 2020 /CNW/ - Entheos Capital Corp. (the "Company"), is pleased to announce, that it has closed its previously announced non-brokered private placement of \$750,000 through the sale of 5,000,000 units (each a "Unit") at a price of \$0.15 per Unit.

Each Unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of \$0.30 per share until May 22, 2021. All securities issuable in the Placement are subject to a four month hold period expiring on September 23, 2020 in accordance with applicable securities laws and the rules and policies of the TSX Venture Exchange.

The Placement was originally intended to comprise 6,666,667 Units to raise aggregate gross proceeds of \$1,000,000 but reduced to 5,000,000 Units at the request of the TSX Venture Exchange as the Company remains listed on NEX and is subject to a \$750,000 maximum.

No finders' fees were payable in connection with the Placement. The proceeds of the Placement will be utilized for general working capital purposes.

As previously advised, the Company is actively seeking opportunities to seek to graduate from the NEX. The Company is focusing its review of acquisition opportunities to targets involved in medical entheogenics. The Company has not yet identified a proposed target and there can be no assurances that the Company will identify a suitable target. Approval from the Company's board of directors, shareholders and the TSX Venture Exchange will be required before any change of business can occur.

Existing insiders participated in the Placement acquiring an aggregate of 895,000 Units on the same basis as other subscribers. The participation in the placement by insiders of the Company constitutes a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company relied on Section 5.5(c) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(b) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the Placement was (a) a distribution of securities of the Company for cash consideration and there are no undisclosed material events relating to the Company or its securities and (b) the Company's securities are not listed on any market other than the TSX Venture Exchange and the fair market value of the securities distributed to the related parties did not exceed \$2,500,000.

Of the Units acquired by existing insiders, 320,000 Units, representing 2.5% of the issued and outstanding shares, were acquired by Sutton Ventures Ltd., a private entity owned and controlled by Brayden Sutton, the Company's CEO and a director. Prior to the Placement, Mr. Sutton held, indirectly through Sutton Ventures Ltd., held 1,013,147 common shares, representing 12.98% of the then issued and outstanding shares. Mr. Sutton now holds or exercises control or direction of a total of 1,328,147 common shares representing 10.37% of the current issued and outstanding shares of the Company, and on a partially diluted basis, together with the warrants held by him, as acquired in the Placement, would hold 14.90% of the then issued and outstanding shares.

Mr. Sutton acquired the Units for cash on the same basis as other subscribers and will evaluate his investment in the Company and may increase or decrease his investment by future acquisitions or

dispositions of securities of the Company at his discretion, as circumstances warrant. As of the date hereof, Mr. Sutton has no immediate future intention to acquire additional securities of the Company or dispose of securities of the Company that he beneficially owns. A copy of the Early Warning Report for Mr. Sutton will be available on SEDAR.

Entheos Capital Corp.

"Brayden R. Sutton"

Brayden R. Sutton, Chief Executive Officer

Neither the TSX Venture Exchange nor its Regulation Services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Entheos Capital Corp.

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