



Ikänik Farms Announces Completion of Non-Brokered Private Placement and Enters Into a Loan Agreement

CORONA, Calif., Oct. 25, 2021 /CNW/ - Ikänik Farms, Inc. (CSE: IKNK.U) (FSE: DFMA) (the "**Company**" or "**Ikänik Farms**") is pleased to announce it has closed the previously announced non-brokered private placement of the Company consisting of an aggregate of 4,779,970 units of the Company (the "**Units**") at a price of USD\$0.30 per Unit (the "**Issue Price**") for aggregate gross proceeds of USD\$1,433,991.53. Each Unit consists of one subordinate voting share (a "**Share**") of the Company and one-half of one Share purchase warrant (each, a "**Warrant**"). Each whole Warrant will entitle the holder thereof to acquire an additional Share (each, a "**Warrant Share**") at a price of USD\$0.60 per Warrant Share for a period of two years. The Company repriced the Offering from its previously announced terms (the original issue price being USD\$0.783 and warrant exercise price being USD\$1.566) to better reflect the current market conditions and price of the Shares.

The Company also announces that its wholly-owned subsidiary, Firehouse Holdings Inc. ("**Firehouse**") has closed a USD\$750,000 debt financing (the "**Loan**") with a current shareholder of the Company (the "**Lender**") pursuant to a loan agreement entered into on October 12, 2021 between Firehouse and the Lender. The term of the Loan is for a period of thirty days (30) with an optional extension for an additional twenty-five (25) days and bears an interest rate of 8% per annum payable on the first day of each month hereafter, repayable at any time prior to maturity without penalty. The Loan is subject to additional fees and financial covenants and is secured pursuant to a promissory note of the Company as well as a security agreement. As part of the terms of the Loan, the Company has issued 2,000 series A purchase warrants (each, a "**Warrant**"), with each Warrant exercisable to acquire one (1) series A multiple voting share ("**Series A Share**") at an exercise price equal to USD\$8.00 per share for a period of two years from the date hereof. Each Series A Share is convertible into 100 subordinate voting shares of the Company.

The proceeds of the Offering and the Loan are being used to pay down existing liabilities and for general working capital purposes.

The securities issued pursuant to the Offering are subject to a statutory hold period expiring February 23, 2022.

About Ikänik Farms

Ikänik Farms is a California based, Multi-National Operator (MNO) who is building a dynamic portfolio of brands, inspired by its passion for health and wellness, action sports, and supported by its vertically integrated retail, distribution and cultivation in CA and its medical grade cultivation and laboratory in Colombia. The Company's leadership brings decades of expertise in R&D, cultivation, retail, branding, and corporate finance. Ikänik Farms' operation in Colombia, through its pharma division Pideka, holds both GMP-PHARMA and (GACP) Good Agricultural and Collection Practice certifications for its Casa Flores operating facility.

Forward Looking Statements

This news release includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws (together, "forward-looking information"). All information, other than statements of historical facts, included in this news release that address activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. When used in this news release, words such as "will", "could", "plan", "estimate", "expect", "intend", "may", "potential", "believe", "should", and similar expressions, are forward-looking information.

Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking information, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: changes in laws, a change in management, the ability of Firehouse to repay the Loan, the Company's assets used as security for the Loan, the inability to obtain additional financing, increased competition, hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and, regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in the forward-looking information may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this news release is made as of the date of this release. The Company disclaims any intention or obligation to update or revise such information, except as required by applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.

On behalf of the Board of Directors of Ikänik Farms Inc.

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CNW 17:51e 25-OCT-21