



Ikänik Farms Closes \$3 Million Tranche of a \$6M Investment Initiative to Build-Out Pideka

TORONTO, April 25, 2022 /CNW/ - Ikänik Farms, Inc. (CSE: IKNK.U) (FSE: DFMA) (the "Company" or "Ikänik Farms") is pleased to announce the completion of the first tranche of a non-brokered private placement of 20,000,000 subordinate voting share units of the Company (the "Units") with Visualiza Business SL (the "Investor") at a price of USD\$0.15 per Unit for aggregate gross proceeds of USD\$3,000,000. Each Unit consists of one subordinate voting share (a "Share") of the Company and one-quarter 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\$0.30 per Warrant Share for a period of two years. The Shares, Warrants and, if applicable, Warrant Shares will be subject to a statutory four month hold period.

The Investor will be entitled to appoint two independent directors to the Company's board of directors (the "Board") to fill the vacancies created by the resignations of Mr. Brian Baca and Mr. JJ Thomas from the Board. Following this, the Board will consist of three independent, non-executive directors and three executive directors.

Visualiza Business SL. is an integrated management finance company with operating businesses in technology, leisure tourism, health, housing and communications across Spain. "We are proud to invest in the Company we believe has the strongest business model and the most effective indoor crop structure to supply the medicinal cannabis market in Europe" says Jose Ramón García Gonzalez, CEO Visualiza Business SL.

The use of the proceeds from the issuance of Units will go directly to further the completion of four indoor cultivation Bodegas at the Company's wholly owned subsidiary Pideka SAS ("Pideka") in Bogota, Colombia and general operating expenses. The Company is aiming to complete a second tranche of the non-brokered private placement of Units for \$3M in the near future.

"Pideka is on track to complete the construction of its 80,000 square foot, EUGMP certified facility with triple stacked grow rooms by Fall 2022, adding 9.8 tons to our annual output with an estimated annual production capacity of approximately 10.8 tons of THC cannabis flower said Mr. Sanz de Madrid, interim CEO. "We have been permitted to cultivate a total of 135,000 plants and derivatives for commercial exportation to the European Union for medicinal purposes and eligible for use in magistral formula nationally and internationally amongst participating LATAM countries" continued Mr. Sanz de Madrid.

"This strategic investment is an important step to secure forward sales contracts for bulk pharmaceutical grade THC cannabis flower from leading global cannabis operators and our aim to be a trusted pharmaceutical supplier for psychoactive cannabis flower" said Mr. Sanz de Madrid.

About Ikänik Farms

Ikänik Farms is multi-national operator with a medical grade indoor cultivation facility and laboratory (Pideka) in Colombia which holds GMP-PHARMA and (GACP) Good Agricultural and Collection Practice certifications, and retail operations in California.

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", "aiming", "expect", "intend", "may", "potential", "believe", "should", and similar expressions, are forward-looking information. Forward-looking information in this news release includes statements with respect to: the composition of the Board following the Investor's appointment; the use of proceeds of the non-brokered private placement; statements with respect to any future tranches of the non-brokered private placement or other financings by the Company; statements with respect to the timing of completion of construction of the Pideka facility; statements with respect to the monthly output and estimated annual production capacity at the Pideka facility; and statements with respect to the Company's ability to secure forward sales contracts for bulk pharmaceutical grade THC cannabis flower from leading global cannabis operators. 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: the inability of the Company to implement the changes to the Board; a change in the use of proceeds from the financing; the Company being unable to complete any additional financings on the terms described herein; material delays in the construction of the Pideka facility; the Company being unable to secure forward sales contracts as set out herein; changes in laws, a change in management, 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. The statements with respect to the anticipated production capacity (monthly and annual) at the Pideka facility are based on the following material factors and assumptions: the facility will be 80,000 square feet and consist of triple stacked grow rooms, with all space used for cultivation; the ratio of THC cannabis flower cultivated per square foot will be consistent with historical output; there being no material challenges with respect to pest control or diseases affecting cannabis plants; the costs to complete the Pideka facility and the facility will be completed by Fall of 2022 and there will be no material delays or stoppages in work in completing the facility. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however these expectations may not prove to be correct.

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.

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