



## Medcolcanna Organics Inc. Announces Closing of Upsized Convertible Debenture Financing

BOGOTÁ, Colombia, Dec. 24, 2020 --

Medcolcanna Organics Inc. ("**Medcolcanna**", "**MCCN**" or the "**Company**") (NEO: MCCN), a leading Colombian and globally integrated cannabis company, is pleased to announce that it has closed on the second and final tranche of its previously announced offering of convertible debentures as per the press release dated August 28, 2020, raising gross aggregate proceeds of \$0.25 million, bringing the total amount raised pursuant to this offering to \$1.25 million, being the full amount previously disclosed. The offering consists of convertible secured debentures (the "**Debentures**"). The Debentures are convertible into common shares in the capital of the Company ("**Common Shares**") on the following terms: the Debentures are issuable in \$1,000 increments and are convertible into Common Shares at a price of \$0.20 per share (meaning 5,000 shares may be issued on the conversion of each Debenture) and will have a term of two (2) years from the date of issuance, with interest payable twice yearly of fourteen percent (14%) per annum (simple not compounded), payable in cash or shares. The Debentures will be subject to earlier redemption by the Company in the event the Common Shares are trading on the facilities of the Neo Exchange Inc. (or such other stock exchange on which the Common Shares may then be trading) at a volume weighted average trading price at or above \$0.40 per share for a period of not less than ten (10) consecutive trading days.

The Debentures include five common share purchase warrants (each, a "**Warrant**") for every one (1) dollar of principal amount of Debentures subscribed for, with each Warrant exercisable at a price of CDN\$0.20 to purchase one Common Share for a period of 24 months from the date of issuance. The Warrants will have a forced conversion feature whereby the Company will have the option to force the conversion of Warrants upon the Common Shares trading on the facilities of the Neo Exchange Inc. (or such other stock exchange on which the Common Shares may then be trading) at a volume weighted average trading price at or above \$0.40 per share for a period of not less than ten (10) consecutive trading days.

The Debentures, and the Common Shares and Warrants issuable on the conversion thereof, are subject to a four month hold period and may not be traded on or before April 22, 2021. The transaction is non-brokered. Approximately \$183,500 of the Debentures from this latest closing were purchased by a company affiliated with the Chief Financial Officer of the Company. This subscription is considered to be a "related party transaction" pursuant to Multilateral Instrument 61-101, but the Company is availing itself of the exemptions from obtaining a formal valuation and obtaining "majority of the minority" approval due to the exemptions available in Sections 5.5(a) and 5.7(1)(a) of said instrument.

The Company intends to use the proceeds for general working capital as well as the purchase of raw materials for use in the business and to cover manufacturing costs for the Company's products.

### Commentary

Medcolcanna Chief Financial Officer, Chris Reid, commented: "We are pleased to report the closing of the second and final tranche of this bridge convertible debenture. The closing of this capital will give the company the bridge financing required to get MCCN to commercial self-sustainability."

### ABOUT MEDCOLCANNA

Medcolcanna is a Canadian integrated medical cannabis company, whose fully licensed operations are based in Colombia. Led by a proven and successful management team, Medcolcanna has facilities in optimal growing locations which positions the Company to become a global leader in the medical cannabis market.

Medcolcanna employs state of the art organic agricultural technology and innovative pharmaceutical processes to produce high-quality products. The Company's scalable production model and network of pharmaceutical partnerships globally ensures that they remain at the forefront of the medical cannabis industry.

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*Additional information about Medcolcanna can be found on its web site at [www.medcolcanna.com](http://www.medcolcanna.com)*

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## **Forward-Looking Statements**

*This news release contains “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals for any proposed transaction, including those discussed herein. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.*

*Medcolcanna assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.*