

TransCanna Signs Definitive Acquisition Documents for 196,000 Sq Ft, Fully Enclosed Cannabis Facility on 5.5 Acres of Land with Packaging & Processing Equipment

Vancouver, British Columbia--(Newsfile Corp. - March 20, 2019) - **TransCanna Holdings Inc.** (CSE: TCAN) (FSE: TH8) ("TransCanna" or the "Company") is pleased to announce that the Company has signed definitive closing documents to acquire the land, building and asset package (the "Property") which includes an existing 196,000 square foot facility on 5.5 acres of land as well as cannabis packaging and processing equipment. As referenced in the Company's February 4th, 2019 press release, the facility has undergone major renovations over the past twenty-four months which has created specific divisions for nursery, cultivation, manufacturing, extracting, bottling, remediation, and transportation & distribution. The total cost for the renovations was US\$8 million.

"Acquiring arguably the largest vertically integrated cannabis centric three-storey multi-purpose facility in California reinforces our strategy to be fully self-contained in our ecosystem. We also have an additional 5 acres in the green zone adjacent to the facility to build up to 600,000 sq. ft. three-storey grow facility to supply our own biomass for the brands we acquire or create," stated Jim Pakulis, CEO of TCAN.

The total purchase price for the Property is US\$15 million. The Company paid the sellers a US\$250,000 non-refundable deposit, and will pay a US\$8 million down payment from the proceeds of the Company's over-subscribed brokered private placement (see news releases dated February 20, 2019 and March 14, 2019). The seller of the building has agreed to a carry back note of US\$6.750 million at 7% p.a. interest only for up to thirteen months, with an initial maturity date of October 15, 2019, subject to a six month extension (the "Note").

As consideration for the seller's agreement to accept the Note, and to provide an additional one month extension in addition to the six month extension, the Company agreed to pay the seller US\$200,000, and issue to the seller an aggregate of 500,000 common shares upon closing of the acquisition. The Company has also agreed to amend the vesting schedule applicable to the 1.2 million share purchase warrants the Company agreed to issue to the seller, conditional upon the closing, for a previously agreed extension (see February 22, 2019 news release). Each warrant will be exercisable to acquire one common share of the Company at an exercise price of \$2.60 per share for a five-year period from the date of issuance, vesting quarterly in equal portions over the initial 12 months of the five-year term commencing on the date of the original extension, being February 21, 2019, notwithstanding the warrants shall be issued upon closing of the acquisition of the Property. In the event that the Company determines to exercise the option to extend the maturity date of the Note to April 15, 2020, the Company will issue to the seller a further 500,000 common shares.

All of the securities issuable to the seller in connection with the Property acquisition will be subject to applicable resale restrictions from the date of their issuance in accordance with Canadian and U.S. securities laws.

The Company will close the Property acquisition as soon as possible following completion of its brokered private placement which is currently expected will close on or around [March 28, 2019].

For further information, please visit the Company's website at www.transcanna.com.

About TransCanna Holdings Inc.

TransCanna Holdings Inc. is a Canadian based company providing branding, transportation and distribution services, through its wholly-owned California subsidiaries, to a range of industries including the cannabis marketplace.

For further information, please visit the Company's website at www.transcanna.com or email the Company at info@transcanna.com.

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The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Forward-looking statements in this news release include, but are not limited to: the expected purchase of the facility, the terms of the facility acquisition, the payment of finders fees in relation thereto, the

ability of the Company to secure financing and the acquisition of appropriate licenses for the facility. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although the Company believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

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