

TransCanna Signs LOI with Persuasion Brewing Co. to Create CBD-Infused Non-Alcoholic Beer

Vancouver, British Columbia--(Newsfile Corp. - May 9, 2019) - **TransCanna Holdings Inc.** (CSE: TCAN) (FSE: TH8) ("TransCanna" or the "Company") is pleased to announce the execution of a non-binding letter of intent with Persuasion Brewing Co. ("Persuasion" or "PBC"), a private brewing company located in Modesto, California. Both companies have agreed to create a division within TransCanna's recently purchased 196,000-square-foot vertically integrated facility (the "Facility") to establish a Persuasion Brewing division, which will produce a variety of different CBD infusion non-alcoholic beers. Terms of the LOI include TransCanna's exclusive rights to the private labeled beers created at the Facility; a three-year commitment from Persuasion with a 180-day termination provision; compensation due to PBC for services rendered, which is to be determined based on a percentage of sales to dispensaries; and TransCanna to pay for the necessary equipment, including the canning and bottling lines. Both parties agree to adhere to all local and state laws. Completion of the transactions contemplated by the LOI remain subject to negotiation of final terms and completion of definitive documentation.

"Our 196,000-square-foot vertically integrated, cannabis-focused facility is perfectly designed to have a comprehensive bottling and canning line for multiple types of beverages. However, we firmly believe that our first beverage product subject to receipt of the appropriate licenses should be a private labeled non-alcoholic CBD-infused beer. We believe it's the least expensive method to generate the greatest margins as quickly as possible, and that will continue to differentiate us from others in the marketplace," stated Jim Pakulis, CEO of TransCanna.

"The few companies in California that are currently in the non-alcoholic CBD-infused sector, based on my personal research, have done extremely well financially," stated Chad Swan, president of Persuasion Brewing Co. "TransCanna is supplying the facility, capital, software, distribution and marketing platform, and we'll supply the intellectual property and knowhow to create a superb CBD-infused non-alcoholic beer. We currently have 16 various styles of beer on tap or in kegs, so to expand into this market is a natural fit. And the fact that the brewery is only a five-minute drive to TransCanna's facility makes the logistics of moving equipment and staffing streamlined."

The owner of Persuasion, Chad Swan, was a principal of the company that owned the Facility recently purchased by TransCanna. As previously reported, Mr. Swan's company that owned the facility received 1.2 million warrants at US\$2.60 and 500,000 restricted shares of TransCanna.

About TransCanna Holdings Inc.

TransCanna Holdings Inc. is a Canadian-based company focused on providing integrated 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.

On behalf of the Board of Directors

James Pakulis
Chief Executive Officer

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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 potential terms of the transaction, the ability of the Company to complete the transactions contemplated by the LOI and the receipt of necessary permitting. 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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