

TransCanna Subsidiary Elects for Shares in Lieu of Cash Payment

Vancouver, British Columbia--(Newsfile Corp. - January 7, 2020) - **TransCanna Holdings Inc.** (CSE: TCAN) (FSE: TH8) ("**TransCanna**" or the "**Company**") announces that the holders of a promissory note in the principal amount of US\$4,000,000 (the "**Note**"), that was issued in favour of the vendors of Lyfted Farms, Inc. ("**Lyfted**") in connection with the recent acquisition by the Company of Lyfted, have exercised an option (the "**Option**") pursuant to the terms of the Note to receive common shares of the Company ("**Common Shares**") in settlement of US\$500,000 principal amount of the Note.

A total of 550,504 Common Shares will be issued pursuant to the exercise of the Option at a deemed price of CDN\$1.18 per share, after converting the principal amount being settled into Canadian dollars using the Bank of Canada indicative rate of exchange of US\$1.00 = CDN\$1.2992. The principal amount of the Note will be reduced to US\$3,500,000 concurrent with the issuance of the Common Shares. The Common Shares issued in connection with the Option exercise will be subject to restrictions on trading in accordance with applicable securities laws and Canadian Securities Exchange policies.

"The exercise of the Option represents a great vote of confidence in the future of TransCanna," commented Steve Giblin, President and CEO of TransCanna. "The noteholders who have elected to receive stock in exchange for debt either work for or are closely associated with TransCanna, and we appreciate their confidence in the success of our company."

Bob Blink, Chief Executive Officer of Lyfted and a holder of the Note, shall receive 258,738 common shares of the Company pursuant to the exercise of the Option, which constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided in sections 5.5(b) and 5.7(a) of MI 61-101 on the basis that the Company's common shares are not listed or quoted for trading on a prescribed stock exchange or stock market and that the fair market value of the transaction, insofar as it involves insiders, does not exceed 25% of the Company's market capitalization. The Company will file a material change report in respect of the issuance of common shares as a result of the Option exercise, however, the material change report will not be filed 21 days prior to the issuance of the common shares as a result of the timing of the Option exercise.

About TransCanna Holdings Inc.

TransCanna Holdings Inc. is a California based, Canadian listed, company building Cannabis focused brands for the California lifestyle, through its wholly-owned California subsidiaries.

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
Steve Giblin
President
604-609-6199

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

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