

Phase 1 Construction Update for TransCanna's Daly Facility

Upon Completion Phase 1 is Projected to Generate \$27M USD Gross Sales Annually

Vancouver, British Columbia--(Newsfile Corp. - June 29, 2021) - TransCanna Holdings Inc. (CSE: TCAN) (FSE: TH8) (the "Company") is pleased to announce that the first phase of construction at the Company's new Daly facility is just two weeks from completion, with plants in its first cultivation room already underway.

To date, the Company has completed the build-out of a 4,481 square foot cultivation room containing 112 lights, a general distribution area, and a processing room. Initial planting was completed in the first of five cultivation rooms in May. The remaining four cultivation rooms will be operational on or about July 14, with each room planned to harvest at least once this fiscal year.

"This is our most critical phase as it will empower us towards our goal to become operationally cash-flow positive within the year," said Bob Blink, TransCanna CEO.

In total, the five rooms will produce approximately 4,800 lbs of harvest annually, generating a potential of over \$15M USD in gross sales each year. The Company is confident that the incremental cultivation capacity of these rooms can create cash-flow positive operating results in the current fiscal year.

Phase 1 construction also includes industrial scale distribution and processing build-outs that will enable TransCanna to provide processing, packaging, storage, distribution and transporting services to third-party growers. The Company intends to generate additional revenue streams of over \$1M USD per month from services to third-party farms.

Facilities completed in Daly Phase 1 construction include 8,000 square feet of processing space for drying, curing and semi-automated trimming; a 6,000 square foot packaging area with space for automated scaling, pouching, and sealing activities; 11,000 square feet of climate controlled storage space for bulk and retail-ready finished goods; and 7,000 square feet of secure, enclosed transportation vehicle loading bay area.

The Company reasonably expects the combined cultivation, processing, packaging and distribution activities made possible by Phase 1 construction to potentially generate \$27M USD annually.

Throughout Phase 1, the Company continued to maximize output at its Jerusalem facility, which generated \$5.3M USD in revenue from its cultivation, distribution and nursery activities in 2020. TransCanna fully intends to maintain all business activities at Jerusalem and has been using the facility for training key team members in preparation for the roll-out at Daly.

About TransCanna

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

TransCanna's wholly owned subsidiary Lyfted Farms is California's authentic cannabis brand whose pioneering spirit has been continuously providing the finest cannabis flower genetics and cultivation methods since 1984. The Lyfted Farms brand of exclusive cannabis flower is sold at premium retailers throughout the state. With its new cultivation facility in Modesto, California, the company is now poised to become one of the largest and most efficient vertically integrated cannabis companies in the California market.

For updated information with respect to our company, please see our filings on SEDAR at www.sedar.com and on the CSE at www.thecse.com, or visit the Company's website at www.transcanna.com. To contact the Company, please email info@transcanna.com.

On behalf of the Board of Directors
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FORWARD-LOOKING INFORMATION:

Certain information in this release may contain forward-looking statements, such as statements regarding financial statement filing timelines, future expansions and cost savings and plans regarding production increases and financings. This information is based on current expectations and assumptions, including assumptions concerning the completion of the expansion of the Daly Facility, government approval of pro-cannabis policies, greater access to financial services and increased cultivation capacity, that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Risks that could cause results to differ from those stated in the forward-looking statements in this release include unexpected increases in operating costs, a continued strain on farmers due to fires and the Coronavirus pandemic and competition from other retailers. All forward-looking statements, including any financial outlook or future-oriented financial information, contained in this release are made as of the date of this release and are included for the purpose of providing information about management's current expectations and plans relating to the future. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

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

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