

TransCanna Closes \$1.16 Million Non-Brokered Convertible Debenture Financing

Vancouver, British Columbia--(Newsfile Corp. - September 15, 2021) - **TransCanna Holdings Inc.** (CSE: TCAN) (FSE: TH8) ("**TransCanna**" or the "**Company**") is pleased to announce that it has closed a non-brokered private placement (the "**Offering**") of 12% unsecured convertible debentures (the "**Convertible Debentures**") for total gross proceeds of \$1,156,000 at a price of \$1,000 per Convertible Debenture.

The proceeds of the Offering will be used for general working capital purposes, and more specifically to fast-track new operations coming online at the Company's recently completed Daly Facility.

"This capital enables us to hire key personnel, facilitate our expansion into new business segments, and bolster our retail footprint in markets like Southern California," said Bob Blink, TransCanna CEO. "It's a strategic raise in order to keep our business moving forward at a competitive pace."

The Convertible Debentures will bear interest at 12% per annum (the "**Interest**"), from the date of issuance (the "**Closing Date**"), payable monthly in arrears on the last calendar day of each month until maturity. The first Interest payment will be made on September 30, 2021 and will consist of interest accrued from and including the Closing Date to September 30, 2021. The Convertible Debentures will mature on the date that is one year from the date of issuance (the "**Maturity Date**").

The Convertible Debentures are convertible, at the option of the holder, into units (the "**Units**") at a conversion price of \$0.85 per Unit, at any time prior to the Maturity Date, subject to adjustment. Each Unit consists of one (1) common share in the capital of the Company (each, a "**Share**") and one (1) common share purchase warrant (a "**Warrant**"). Each Warrant shall entitle the holder to purchase one additional common share (a "**Warrant Share**") at a price of \$1.00 for a period of two years from the Closing Date.

The Company may prepay, in cash, any or all of the Convertible Debentures at any time prior to the Maturity Date for an amount equal to the principal amount of the Convertible Debentures then outstanding plus any accrued but unpaid Interest. At maturity the holders may elect to be repaid the principal amount and all accrued interest in cash or Units at the Conversion Price, and in the absence of any such election, in Units.

No new insiders were created, nor were there any changes of control as a result of the Offering; however, the Offering constituted a related party transaction within the meaning of Multilateral Instrument 61-101 ("**MI 61-101**") as certain insiders of the Company subscribed for an aggregate of 300 Convertible Debentures pursuant to the Offering. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the related parties, exceed 25% of the market capitalization of the Company. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

Finder's commissions in the amount of \$68,100 were paid to eligible persons in connection with the Offering.

The Offering is subject to the approval of the Canadian Securities Exchange ("**CSE**"). The Convertible Debentures and the Units (including the Shares and Warrant Shares) issuable upon conversion of the Convertible Debentures will be subject to a statutory hold period expiring on the date that is four months

and one day after the Closing Date.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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
Bob Blink, CEO

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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

FORWARD LOOKING INFORMATION:

This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs regarding future events of management of the Company. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things: operations of the Daly Facility; growth of the Company's business operations.

These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These assumptions, risks and uncertainties include, among other things: the receipt of necessary regulatory approval and licensing approvals; market uncertainties related to the COVID-19 pandemic; potential negative consumer, investor or public perception, changes in consumer preferences and product trends; general market trends; political, legal and regulatory uncertainty relating to cannabis products

generally.

In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation; the ability of the Company to increase its output and the ability of the Company to achieve its anticipated expansion and growth of its business operations. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. 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 forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.



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