

TransCanna Update: Phase 2 Construction Commences at Daly Facility

Vancouver, British Columbia--(Newsfile Corp. - September 21, 2022) - **TransCanna Holdings Inc.** (CSE: TCAN) (FSE: TH8) ("TransCanna" or the "Company") is pleased to announce that construction of Phase 2 has begun at the Company's 196,000 square foot Daly Facility in Modesto, California.

Key Highlights:

- **TransCanna Initiates First Draw Down of USD \$962,000 from USD \$4,000,000 Construction Budget to Begin Work at Daly Facility**
- **Contractors Work to Complete Final Components of Phase 1**
- **Construction Begins on Phase 2 Build Out of Indoor Cultivation Rooms:**
 - **Increasing Canopy by 29,200 sq. ft**
 - **Total Production Capacity will exceed 10,000 pounds per year**
- **TransCanna Defines Wholesale Business Model**

Following the successful refinancing of the Daly Facility through a USD \$15,800,000 loan from Pelorus Equity Group (see August 2, 2022 news release), TransCanna is pleased to announce construction is again underway at its flagship Daly Facility in Modesto, California. Through the refinancing with top lender in the cannabis space, Pelorus Equity Group, TransCanna unlocks USD \$4,000,000 construction budget. Work commences this week with trades in the building.

After near completion with delays due to Covid the Company is pleased to announce construction work on Phase 1 will be finished in short order. The Company will provide material updates as work progresses. Completion of Phase 1 will allow the Company to have all 5 approximately 4500 sq. foot cultivation rooms aka "Phase 1" of the Daly Facility operational - a very significant milestone for the Company.

Concurrently construction crews will commence work on Phase 2, adding:

- 4 more approximately 4,700 square foot cultivation rooms
- 3 new curing rooms to accommodate scaled up production of all 9 large cultivation room, giving the advantage of cutting the time in between cycles and rooms being replanted
- Climate and Humidity controls to aid cultivation of different genetics, furthering the Company's ability to consistently stay ahead of trends and produce top quality exotic indoor strains
- New Vegetative rooms to support increased scale of production rooms at the facility and ability to house and test more genetics and produce larger amounts of high-quality clone stock in-house

Construction of Phase 2 is expected to take 4 to 5 months.

A fundamental shift for the company will be to focus on selling its premium high-quality product via a wholesale model. This decision was made to ensure not only immediate payment as opposed to the 90 days plus retail route, but also to work with the bigger brands who now have the effective distribution into the California market.

"We have many strengths - from our people, to our building, to our location and most important, to our ability to grow a great product. Focusing on these strengths gives us the ability to adapt in this very challenging environment and to work with the larger brands to ensure a more stable business plan,"

comments Bob Blink CEO.

The Company would like to thank all of our shareholders for their support and encourages all interested parties to stay tuned as we begin this new and exciting chapter.

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 Daly, 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 future expansions and cost savings and plans regarding production yields 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. Forward-looking statements include, but are not limited to, statements concerning management's guidance on yield, product quality, cost of production and sales and other statements which are not historical facts. When used in this document, the words such as "could", "plan" "estimate", "expect", "intend", "may", "potential", "should" and similar expressions indicate 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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