

# TransCanna Holdings Inc. Announces Closing of Previously Announced Transactions and Provides Update

Vancouver, British Columbia--(Newsfile Corp. - August 21, 2023) - TransCanna Holdings Inc. (CSE: TCAN) (FSE: TH8) ("**TransCanna**" or the "**Company**") today announces that it has closed the previously announced asset transfer transactions (the "**Transactions**") approved by special resolution of the TransCanna Shareholders on April 28, 2023 (the "**Meeting**").

In connection with, among other things, the Transactions, the parties to the deed in lieu of foreclosure agreement (the "**Deed in Lieu**") by and among Pelorus Fund REIT, LLC (the "**Lender**"), Dalvi, LLC, ("**Dalvi**"), Lyfted Farms, Inc. ("**Lyfted Farms**") the Company and James R. Blink, solely in his individual capacity (together with the Company, the "**Guarantor Parties**") dated February 13, 2023 (the "**Existing Loan Parties**"), entered into an Omnibus Amendment, Limited Conditional Waiver and Joinder Agreement dated as of August 18, 2023 (the "**Amendment Agreement**") together with PMG Dalvi LLC, a Delaware limited liability company ("**PMG Dalvi**"), PMG Lyfted Farms, LLC, a Delaware limited liability company ("**PMG Lyfted Farms**" and together with PMG Dalvi, the "**Joining Borrowers**" and collectively with Dalvi and Lyfted Farms, the "**Borrowers**"). The Existing Loan Parties and Lender had entered into the previously announced loan agreement, effective as of July 29, 2022 (the "**Loan Agreement**"), by and among the Lender, Dalvi, Lyfted Farms and the Guarantor Parties, whereby the Lender had provided a term loan to the Borrower in the original principal amount of \$15,808,000 USD (the "**Original Loan Amount**"). In accordance with the terms and provisions of the Loan Agreement, the Original Loan Amount, together with all other Obligations (as defined in the Loan Agreement) were secured by a first-priority security interest and lien on the Collateral (as defined therein). The Existing Loan Parties and Lender entered into the Deed in Lieu following the occurrence and continuation of events of default under the Loan Agreement).

Under the Amendment Agreement, in connection with the the Lender having designated the Joining Borrowers as its designees (pursuant to the terms of the Deed in Lieu Agreement) to take all right, title and interest in the Collateral and, in consideration of Dalvi, Lyfted Farms and TransCanna executing and delivering the Conveyance Documents (as defined in the Deed in Lieu Agreement) transferring title to the Collateral to the Joining Borrowers, and effective at closing of the Transactions (the "**Closing**"): (i) the Joining Borrowers were joined as Borrowers under the Loan Agreement and accompanying agreements; (ii) the Lender made all monetary Obligations non-recourse to Dalvi and Lyfted Farms (without waiving or modifying Transcanna's Guaranteed Obligations, Limited Guarantor's guaranty obligations, any of Lender's security interests in or liens on the Collateral, or any rights and remedies of Lender with respect to the Collateral under any of the Loan Documents or under the guarantees), and (iii) the Lender conditionally waived all existing Defaults and Events of Default, in each case subject to the terms and conditions of the Amendment Agreement. As of Closing, the total unpaid principal (including the Current Protective Advances, but excluding pending and unpaid expenses of the Lender) plus unpaid accrued interest (but excluding any interest accruing at the Default Interest Rate and interest accruing on the Current Protective Advances) is equal to \$21,066,661.57.

The Company, through its wholly-owned cannabis licence holding subsidiary Lyfted Farms, has entered into a management services agreement (the "**MSA**") with PMG Lyfted Farms, whereby PMG Lyfted Farms has agreed, among other things, to manage and operate on behalf of Lyfted Farms all aspects of any commercial cannabis activities, until such time as the parties agree to terminate the MSA.

## Company Update

The Company further announces that it continues under a previously announced cease trade order

("CTO") by the British Columbia Securities Commission (the "BCSC") under National Instrument 51-102 Continuous Disclosure Obligations as a result of not filing its audited annual financial statements, accompanying management's discussion and analysis, and certifications for the year ended November 30, 2022 (the "Annual Filings") by the requisite filing deadline. The Company's 2022 audit currently remains ongoing and the Company is advised by its auditors that the completion of the audit continues to be delayed. The Company is working diligently with its consultants and auditors to complete the remaining audit and make the required filings as soon as possible. Once complete, a news release will be issued indicating that the Annual and Quarterly Filings have been submitted. The Company previously announced that it anticipates that it will complete the Annual and Quarterly Filings on or before August 28, 2023, however the Company expects that all filings may occur towards the end of September. In the event the CTO remains in effect for more than 90 days, the Company will meet additional filing requirements with respect to the CTO under National National Policy 11-207.

## TransCanna

TransCanna Holdings Inc. is a California-based, Canadian-listed company holding licences for cannabis-focused brands for the California lifestyle, through its wholly-owned California subsidiaries. For updated information with respect to our company, please see our filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the CSE at [www.thecse.com](http://www.thecse.com), or visit the Company's website at [www.transcanna.com](http://www.transcanna.com). To contact the Company, please email [info@transcanna.com](mailto:info@transcanna.com).

On behalf of the Board of Directors Bob Blink, CEO  
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***The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.***

## Forward-Looking Information

This news release contains statements that constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws. The words "may," "would," "could," "should," "will," "intend," "plan," "goal," "anticipate," "believe," "estimate," "expect," "achieve," "must," "next," "focus," "potential," "progress," "develop," "continue," "advance," "improve," "opportunity," "future," "prospect," "vision," "target," "growth," "option," "pursue," "near-term," "de-risking," "eventual," "later," "until," and similar expressions, as they relate to the Company or its management, are intended to identify such forward-looking information. Forward-looking statements are based on assumptions as of the date of this news release and reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Forward-looking statements in this news release include, among other things, the operations at the Stanislaus County, statements with respect the CTO; the timing of completion of the audit; the timing and revocation of the CTO; and statements regarding management's expectations on the Company's future performance.

The Company cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by many materials factors, many of which are beyond the Company's control. Such factors include, among other things: the Company may not be able to carry out its business plans as expected; the Company may not continue to receive financing under the Loan; the ability of the Company to satisfy public company listing requirements; the performance of Lyfted Farms under the management services agreement; prevailing market conditions; general business and economic uncertainties; and other risks and factors detailed from time to time in the filings made by the Company with securities regulators and stock exchanges. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this news release are based upon what management believes to be reasonable

assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements.

The Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

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