FinCanna Advances 2nd Tranche of US$875,000 to portfolio company QVI Inc. a Multi Brand Cannabis Manufacturer in Sonoma County, California

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August 6, 2019 (Source) – *FinCanna Advances Capital as QVI Accelerates to Commercial Production*

FinCanna Capital Corp. ("**FinCanna**") (CSE: CALI), (OTCQB: FNNZF), a royalty company for the U.S. licensed cannabis industry is pleased to announce that it has advanced a second tranche of capital of US$875,000 further to its Royalty Agreement with QVI, Inc. which stands for, Quality, Value, Integrity, doing business as "The Galley", a cannabis infused product manufacturer located in Sonoma County, California.

QVI is completing the build out of its 8,300 square foot facility in Santa Rosa, CA and expects to be in full commercial operation in late summer 2019. The facility known as "The Galley", is built to FDA and CDPH standards and is focused on high demand areas of production – Edibles, Topicals, Tinctures, Chocolate, Hard Candies, Gummies and Beverages. "The Galley" will be differentiated from its peers by its automated capabilities to produce virtually all high-value cannabis products under one roof. This one-stop production expertise is attractive to top tier in-state and out-of-state brands. The premium equipment and operational design will allow "The Galley" to rapidly scale production as demand escalates.

Additionally, QVI expects to receive its Occupancy Permit from the City of Santa Rosa upon completion of certain remaining construction items. The Occupancy Permit is required prior to the issuance of a Manufacturing License, by the California Department of Public Health Office of Manufactured Cannabis Safety. The QVI facility has been inspected by this department and expects that once in possession of its Occupancy Permit that it will have satisfied the remaining requirements for issuance of its Manufacturing License.

QVI is experiencing strong demand for its services and based on existing MOU's, its first 12-month revenue upon commercial production is projected to meet or exceed US$7 million. Revenue is expected to increase substantially as operations and marketing efforts utilizing the founders' wide network of industry participants is activated. Additionally, "The Galley" will produce its own line of branded products, "Big Fish Edibles".

"We are very pleased to advance a 2nd tranche of capital as the QVI team continues to execute," said Andriyko Herchak, CEO of FinCanna Capital. "Our investment will support the team in completing construction on their industry leading facility as they move towards commercial launch later this summer. We are impressed with the potential for rapid scalability which will have a strong impact on our bottom line."

According to the Royalty Agreement, FinCanna agreed to fund QVI Inc. US$3 million tranches. An initial tranche of US$1.25 million was advanced previously and together with this tranche has know delivered US$2.125 million with the remaining US$875,000 to be advanced after QVI has commenced commercial operations and achieved predetermined sales targets. According to the agreement, FinCanna will receive a tiered corporate royalty, adjusted based on revenues levels, ranging from 15% to

6% of QVI’s total revenues, with the top royalty rate of 15% on the first US$20 million of annual sales until cumulative royalties to FinCanna of US$10 million.

The principals’ of QVI have decades of award-winning edibles manufacturing and food production experience. Co-founder, President and CEO Gina Pippin has 23 years of business and financial management and decades long experience in efficient production management and food safety. Co-founder, Annie Holman, has had a career spanning 25 years in marketing and media. She is a former co-owner of Derby Bakery Cannabis Edibles that produced high-end, award-winning products, winning several “Emerald Cup – Best Edibles” honours as well as first and second place prizes from “Edibles List – Best of Awards.”

About QVI

In addition to producing its own line of cannabis infused products, “BIG FISH”, QVI, Inc. operates a premier contract manufacturing company, The Galley, for infused baked good, chocolates, candies, gummies, topicals, tinctures and beverages. Focused on quality and efficiency, QVI, Inc. creates top-notch product at value prices.

QVI’s immediate goal is to become the premier contract manufacturer in California, the largest single market in North America and, upon success, to license products nationally and globally.

About FinCanna Capital Corp.

FinCanna is a royalty company that provides growth capital to rapidly emerging private companies operating in the licensed U.S cannabis industry. The company earns its revenue from royalties paid by its investee companies that are calculated based on a percentage their total revenues.

FinCanna's scalable royalty model provides an attractive alternative or complement to debt or equity financing for its investee companies. FinCanna is focused on delivering high-impact returns to its shareholders by way of a strategically diversified investment portfolio.

For additional information visit www.fincannacapital.com and FinCanna's profile at www.sedar.com

FinCanna Capital Corp.
Andriyko Herchak, CEO & Director

Forward-Looking Information

Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the market for, and effectiveness of, QVI products or services, the ability of QVI to expand operations and generate sales and revenues, the results of operations of QVI and the timing thereof, the completion of FinCanna's investment in QVI, FinCanna's ability to fund and source future projects, and FinCanna's ability to earn and realize revenues from its investee companies. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements, or other future events, to be materially different from any future results,

performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risks identified in the CSE listing statement available at www.SEDAR.com and other reports and filings with the applicable Canadian securities regulators. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the respective companies undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.