

FinCanna Executes & Increases Royalty Payments Under Agreement with Refined Resin Technologies Inc. a California Based Cannabis and Extraction Company

written by Raj Shah | July 10, 2018

July 10, 2018 ([Source](#)) – *New Structure Increases Royalty Payments to 11.75% of First US\$160 Million of Annual Revenues*

FinCanna Capital Corp. ("**FinCanna**") (CSE:CALI) (OTCQB:FNNZF) a royalty company for the U.S. licensed medical cannabis industry, has executed an Expanded Royalty Agreement with Refined Resin Technologies Inc. ("**Refined Resin**") formerly known as Gram Co Holdings LLC, of Oakland, California. Refined Resin is a cannabinoid research and refinery company that provides B2B and B2C products and services to licensed dispensaries and distributors in the medical cannabis supply chain.

FinCanna will fund US\$3 million in tranches to complete the original Royalty Agreement transaction that was previously announced under a binding term sheet in February 2018. In return, FinCanna will receive a tiered corporate royalty, ranging from 14% to 5.0% of Refined Resin's annual revenues, based upon agreed upon benchmarks.

Concurrently, FinCanna has also agreed to acquire an Additional Royalty for the purchase price of US\$1.795 million, payment that will be comprised of US\$500,000 cash and the remainder paid in

common shares of FinCanna. The Additional Royalty provides FinCanna the right to receive a further royalty payment of 2% of Refined Resin's revenues. Refined Resin has the option to repurchase the Additional Royalty subject to certain terms.

With the inclusion of the 2% additional royalty consideration, the tiered royalty payments to FinCanna now range from 16% to 7.0% based on agreed upon benchmarks, with the combined royalty rate to FinCanna totaling 11.75% on the first US\$160 million of annual revenues payable in perpetuity subject to certain buy-back options.

The additional payment will allow Refined Resin to increase production volumes to take advantage of strong market demand that in turn will benefit FinCanna through accelerating speed to market and advancing the royalty payment schedule.

"We are very pleased to close this transaction with Refined Resin Technologies. It's an exciting opportunity for us on a number of levels. The Refined Resin team is highly skilled in the production and management of a sophisticated extraction facility," said Andriyko Herchak, President and CEO of FinCanna Capital. "Additionally, the team has very deep connections in the distribution and retail markets and are themselves very effective brand developers and marketers. Moreover, the potential capacity of the facility, and its ability to produce high value-add products bode well for the financial future of the enterprise and commensurately, outstanding value for FinCanna shareholders."

Refined Resin has leased a facility in Oakland, California in which they are retrofitting a large, state-of-the-art medical cannabis extraction laboratory, which is expected to be operating by the end of 2018. Refined Resin's principals have extensive experience in extraction, manufacturing and business

operations and intend to be premier producers of bulk quantities of THC distillate and various high value concentrates produced via hydrocarbon-based solvent extraction.

Refined Resin also plans to provide white-labeling services to licensed brands and infused product manufacturers who do not have direct access to compliant production facilities. Brands and manufacturers who work in conjunction with Refined Resin will also be able to utilize in-house distribution and marketing expertise as part of their value add service offering.

The Royalty to FinCanna begins to accrue immediately upon disbursement of the initial advance payment. Refined Resin's Annual Revenues, for purposes of calculating the FinCanna royalty, are gross revenues less any sales returns calculated in accordance with GAAP. All funds advanced in the transaction are allocated for the retrofitting and development of the Refined Resin facility in Oakland and associated designated expenses.

About Refined Resin Technologies Inc.

Refined Resin Technologies, based in Oakland, California, is a cannabinoid research and refinement company focussed on the medical cannabis industry to provide B2B and B2C products and services to licensed dispensaries, infused product manufacturers and numerous others in the medical cannabis supply chain.

About FinCanna Capital Corp.

FinCanna provides financing to top-tier companies in the licensed medical cannabis industry in exchange for a royalty on revenues. FinCanna, led by a team of finance and industry experts, is building its diversified portfolio of royalty investments in scalable, best-in-class projects and companies in U.S. legal states, with a focus on California. 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, Refined Resin Technologies Inc. products or services, the ability of Refined Resin to expand operations and generate sales and revenues, the results of operations of Refined Resin, the completion of FinCanna’s investment in Refined resin, 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

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