FinCanna Increases and Closes Convertible Debenture Financing of $2.4 Million

written by Raj Shah | January 11, 2019

January 11, 2019 (Source) – *Additional 2nd Tranche of $1.25 Million Scheduled to Close on or before February 8, 2019*

FinCanna Capital Corp. ("FinCanna") (CSE: CALI) a royalty company for the U.S. licensed medical cannabis industry, is pleased to announce that further to its news releases dated January 4 and 7, 2019, it is upsizing and closing its oversubscribed Secured Convertible Debentures ("Debentures") financing in the amount of $2.4 million. Furthermore, the company has received firm commitments for an additional $1.25 million to close in a second tranche on or before February 8, 2019.

The Debentures will be secured by a general security interest, will mature two years from closing and will bear interest at 12% per annum, payable in cash or, at the option of the Subscriber, in common shares of FinCanna ("Common Shares") subject to certain conditions. The Debenture is convertible into Common Shares at $.20 per share. Subscribers for Debentures will receive one common share purchase warrant ("Warrant") for each $0.20 of principal amount of Debenture. Each Warrant will entitle the holder to acquire one Common Share of FinCanna for $0.30 at any time up to two years from the closing date.

The FinCanna management team has subscribed for $500,000 of the Debentures. The conversion price of $0.20 represents a premium of 67% to the share price when first announced on January 4, 2019.

FinCanna intends to use the net proceeds from the Debentures to fund additional royalty investment opportunities and the company's ongoing working capital requirements.

"We are very pleased with the strong support we've received from existing and new shareholders for this financing," said Andriyko Herchak, President and CEO of FinCanna Capital. "The funds from the first tranche of the financing will enable us to accelerate the expansion of our royalty portfolio with high growth companies that we've been in advanced discussions with for several months. The funds from the second tranche, together with ~US$3.9 million to be received from the sale of CTI's Coachella Property, fully funds our investing commitments and gives us a strong treasury to strengthen our portfolio of investments. As the U.S licensed cannabis market continues to grow, we strongly believe our diversified portfolio in emerging private businesses will create significant shareholder value as they mature."

FinCanna will pay a cash finder's fee of 8% on a portion of the proceeds raised. The lead finder in the non-brokered financing is TriView Capital Ltd.

This press release does not constitute an offer to sell or a solicitation of an offer to sell 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 "1933 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 1933 Act and applicable state securities laws or an exemption from such registration is available.

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

Cautionary Note Regarding Forward-Looking Statements
This news release contains forward-looking information based on current expectations. Statements about, among other things, the quantum, terms and closing of the second tranche of the Convertible Debenture financing; the use of proceeds of the Convertible Debenture financing; the sale and proceeds of CTI's Coachella Property; creation of significant shareholder value; earning revenue from royalties paid by investee companies; and the business goals and objectives of the company are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Such factors include, but are not limited to: the Company may not close the second tranche of the Convertible Debenture financing on the terms or timing currently anticipated, or at all; the Company may not be able to expand its royalty portfolio on terms favourable to the Company, or all; the Company may not realize

any gains from the sale of CTI's Coachella Property; and other risks and uncertainties as more fully disclosed in the Company's continuous disclosure filings on www.sedar.com. The forgoing forward looking statements are based on assumptions and/or beliefs of the Company that are based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about its ability to complete the second tranche of the Convertible Debenture financing; the Company's ability to complete its planned expansion of its royalty portfolio; and the sale of CTI's Coachella Property. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein. Actual results and future events could differ materially from those anticipated in the forward-looking information contained herein. Accordingly, readers should not place undue reliance on forward-looking information contained herein. FinCanna assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.