

FinCanna Provides Update on Multi Brand Cannabis Edibles Manufacturer, QVI, of Sonoma County, California

written by Raj Shah | April 18, 2019



April 18, 2019 ([Source](#)) – FinCanna Capital Corp. (“FinCanna”) (CSE: CALI), (OTCQB: FNNZF), a royalty company for the U.S. licensed cannabis industry is pleased to provide an update of its portfolio company QVI, Inc. which stands for

Quality, Value, Integrity, doing business as “The Galley”, a cannabis infused product manufacturer located in Sonoma County, California.

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.

The Galley is designed to meet the highest Food and Drug Administration and California Dept. of Public Health standards and upon completion will be a state of the art, fully automated food production facility unparalleled in the region. 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.

As previously announced, the company has initiated a three-phase development program as it moves towards launch of commercial operations in its 8,300 square foot state of the art commercial kitchen, known as “The Galley”, located in Santa Rosa, CA.

Phase one of The Galley development plan is now complete, which includes all design, logistics, identification and sourcing of key equipment and the organization of all construction requirements for the facility.

Phase two involves completing the manufacturing facility build-out that is expected to take approximately five weeks. Beginning in August of 2018, QVI has submitted for and subsequently been issued a series of permits related to the City of Santa Rosa Building Permit process. Based on these approvals the company has been able to undertake and complete substantial portions of the work required. As of this week they have also commenced work to connect the fire sprinkler system to the city water supply that is scheduled for completion in the next week. Remaining permits required to complete construction are expected shortly, subject to any approval delays.

Phase three begins with the launch of commercial production, expected approximately two to three months after receiving the final building permits. Commercial production is contingent upon receiving the California Cannabis Manufacturing License Type N, the application of which was submitted for approval on February 6, 2019.

Well-connected across the industry, the co-founders continue to move their business forward negotiating favourable pricing with cultivators and oil processors, both THC & CBD, strain specific based on bulk purchasing. In the last nine months, the company

has vetted approximately 100 potential cannabis operators requiring contract-manufacturing services for a wide variety of products. The Galley will also produce its own line of branded products, "Big Fish Brands".

Based on existing MOU's, its first 12-month revenue upon commercial production is projected to be in excess of US\$5 million and is expected to increase substantially as operations and marketing efforts utilizing the founders' wide network of industry participants is activated. Based on its royalty agreement with QVI, 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.

Additionally, the co-founders' relationships were key in creating a network of labs throughout the Bay Area, as well as with the two premier labs in Sonoma County. These relationships are essential as it is increasingly important from both a regulatory and branding perspective to deliver consistent dosage and quality-controlled products.

QVI is also submitting for its California Cannabis Distribution Type 11 License that will allow The Galley to add value by assisting its brand customers to manage testing, quarantine, final package labeling, inventory, product storage as well as providing direct to retail product fulfillment. The Galley does not intend to offer comprehensive distribution services rather it will employ multiple distributor relationships to ensure the right "product – market" fit for each client brand.

The principals' of QVI have decades of award-winning edibles manufacturing and food production experience in California. 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 California-based 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.”

“We are very pleased with QVI’s ability to continue to move its business forward in strategically located Sonoma County,” said Andriyko Herchak, CEO of FinCanna Capital. “The demand for their manufacturing and over all fulfillment services is exceptionally strong and bodes well for their future success. FinCanna shareholders, along with QVI co-founders, look forward to The Galley’s successful transition to commercial operations in the near future.”

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, vapes / pre-rolls and beverages. Focused on quality and efficiency, QVI, Inc. creates top-notch product at value prices.

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 of 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 projected 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.