



HERITAGE CANNABIS
Holdings Corp.

NEWS RELEASE

For Immediate Release

Heritage Cannabis Announces \$6.7 Million Senior Secured Term Loan

Toronto, ON, February 3, 2020 – HERITAGE CANNABIS HOLDINGS CORP. (CSE: CANN) (“**Heritage**” or the “**Company**”), a leading vertically integrated Canadian cannabis company has entered into a 24 month term loan agreement (the “**Loan Agreement**”) with Trichome Financial Corp. (“**Trichome**”) for total proceeds of \$6,700,000 (the “**Loan**”).

Pursuant to the Loan Agreement, Trichome advanced the Company \$4,875,000 on January 30th, 2020 (the “**Closing Date**”) with an additional \$1,825,000 to be advanced upon the earlier of (i) the issuance of a Health Canada sales licence or (ii) the Company achieving consolidated revenues of \$7,500,000. The Loan is non-amortizing and payable in full upon maturity of the Loan, 24 months following the Closing Date. Heritage may at any time after the Closing Date, but prior to the maturity of the Loan, request an increase in credit under the Loan Agreement in the aggregate amount of up to \$2,300,000, to be provided at the sole discretion of Trichome.

The Company will pay an original issue discount of 4.5%, interest at a rate of nine and half percent (9.5%) per annum paid monthly, and maintain certain working capital ratios, computed on the basis of the Company’s consolidated financial statements. A one-time set-up fee equal to \$167,500 is due to Trichome on the Closing Date.

“Continuing on our recent positive momentum and in advance of receiving our anticipated sales license, Heritage is very pleased to be strengthening our already conservative balance sheet. This allows us the leverage to potentially take advantage of the many opportunities we’re expecting ahead of us”, commented Clint Sharples, CEO of Heritage. “Trichome has shown confidence in our strategy, signaling the strength of Heritage’s business and expected continued success in the cannabis industry.”

Heritage will use the proceeds of the Loan to fund capital expenditures, and other income generating assets to advance its business strategies.

About Heritage Cannabis Holdings Corp.

The Company is focused on becoming a vertically integrated cannabis provider that currently has two Health Canada approved licenced producers, through its subsidiaries Voyage Cannabis Corp. and CannaCure Corp. both regulated under the Cannabis Act Regulations. Working under these two licences, Heritage has two additional subsidiaries, Purefarma Solutions, which provides extraction services, and a Medical Services Division which is focused on cannabis based medical solutions. Heritage as the parent company, is focused on providing the resources for its subsidiaries to advance their products or services to compete both domestically and internationally.

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ON BEHALF OF THE BOARD OF DIRECTORS OF HERITAGE CANNABIS HOLDINGS CORP.

"Clint Sharples"

Clint Sharples
CEO

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