



HERITAGE CANNABIS  
Holdings Corp.

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## Heritage Cannabis Announces the Acquisition of Opticann, Inc.

**Toronto, ON, October 7, 2020** – [Heritage Cannabis Holdings Corp.](https://www.heritagecann.com) (CSE: CANN) ("**Heritage**" or the "**Company**"), today announced, further to its press release issued on August 5, 2020, it has completed its acquisition of all of the issued out outstanding securities of Opticann, Inc. ("**Opticann**"), a Colorado based oral and topical cannabinoid company with the rights to exclusively sell CBD and CBG products made with the patented VESIorb® drug delivery system for optimized absorption and stability.

"Bringing Opticann on board the Heritage platform provides us with a significant advantage in the advancement of our U.S. presence and the ability to participate in the rapidly growing multi-billion dollar U.S. CBD market," stated Clint Sharples, CEO of Heritage. "We are advancing our offering with Opticann and are already leveraging our existing U.S. presence with our Empower joint venture in Oregon. Together, our U.S. team has the proven medical cannabis expertise to excel in this market."

Heritage issued 15,838,982 common shares of the Company ("**Common Shares**") on closing of the acquisition, the majority of which will be held in escrow by Heritage and released, subject to any reductions related to indemnification claims. Additionally, the vendors received i) 7,919,493 warrants exercisable for exchangeable shares of a subsidiary of the Company (the "**Class A Exchangeable Shares**"), with each warrant exercisable at a price of \$0.20 per Class A Exchangeable Share for a period of twenty-four months following the closing date; ii) 3,511,110 warrants exercisable for Class A Exchangeable Shares, with each warrant exercisable at a price of \$0.30 per Class A Exchangeable Share for a period of thirty-six months following the closing date; and iii) 100,000,000 class B exchangeable shares of a subsidiary of the Company (the "**Milestone Shares**"), said Milestone Shares being exchangeable by the vendors for Common Shares upon Opticann achieving certain milestones. The Class A Exchangeable Shares and Milestone Shares are exchangeable for Common Shares on a 1:1 basis, and the Milestone Shares are exchangeable for up to 100,000,000 Common Shares, subject to certain earnout conditions, the future price of the Common Shares, and other terms. If the earnout conditions are not achieved within certain timeframes, the Milestone Shares are cancellable by the issuer.

The Company has also agreed to pay additional consideration on certain conditional events being met, such payment to be determinable at the time such events occur and will be satisfied in the form of Common Shares (the "**Additional Milestone Common Share Payments**"). All securities issued on closing of the transaction will be subject to a statutory four month and one day hold period. The Additional Milestone Common Share Payments, when and if paid, will be subject to a statutory four month and one day hold period from the date of issuance.

The Company has also agreed to issue 6,079,716 Common Shares to Geocann LLC ("**Geocann Distribution Consideration Shares**") pursuant to the terms an Exclusive Distribution and Supply Agreement between Opticann and Geocann LLC dated June 30, 2020, as amended by the First Amending Agreement dated September 29, 2020. The Geocann Distribution Consideration Shares will be subject to a statutory four month and one day hold period from the date of issuance.

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The participation in the transaction of Peter Kampian, the Vice President of Finance and a consultant of Heritage and an executive officer of one of the vendors, may constitute a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), but is otherwise exempt from (i) the formal valuation requirements of Section 5.4 of MI 61-101 by virtue of Subsection 5.5(a) of MI 61-101, and (ii) the minority shareholder approval requirements of Section 5.6 of MI 61-101 by virtue of Subsection 5.7(1)(a) of MI 61-101, on the basis that at the time of completion of the transaction the fair market value of the consideration provided to the corporation in which Peter Kampian is an executive officer did not exceed an amount equal to 25% of the Company's market capitalization at such time. The Company did not file a material change report more than 21 days prior to the closing of the transaction as the Company wished to complete the transaction on an expedited basis for sound business reasons.

### **About Heritage Cannabis Holdings Corp.**

Heritage Cannabis is 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. In the U.S, Heritage operates under Opticann Inc., a Colorado based oral and topical cannabinoid company with the rights to exclusively sell CBD and CBG products made with the patented VESIsorb® drug delivery system for optimized absorption and stability. As the parent company, Heritage is focused on providing the resources for its subsidiaries to advance their products or services to compete both domestically and internationally.

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

*"Clint Sharples"*

Clint Sharples  
CEO

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***The Canadian Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.***

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of

the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, information relating to the Additional Milestone Common Share Payments and the Milestone Shares.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risks and Uncertainties" Factors" in the Company's annual management discussion and analysis for the year ended October 31, 2019 and dated February 28, 2020. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.