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TransCanna Commences "Phase 1" Construction and Roll-Out of Commercial Activities at Flagship Daly Facility

Canadian Securities Exchange: TCAN
Borse Frankfurt: TH8

Vancouver, BC, July 16, 2020 - TransCanna Holdings Inc. (CSE: TCAN: XETR: TH8) ("TransCanna" or the "Company") is pleased to announce that with the recent state-wide final license approval, today its wholly-owned subsidiary, Lyfted Farms, Inc. ("Lyfted"), has begun preparations for the commercial launch of distribution activities at its flagship 196,000 square foot Daly Avenue Facility in Modesto California.

The goal of Phase 1 is to focus on expansion and ramp-up of the companies' distribution activities. The revised design of Phase 1 of the Daly Distribution build-out increases capacity by 16,000 square feet, allowing the Company to expand this core business unit to service escalating demand from customers.

"After many months of planning and preparation, our team is thrilled to begin operations inside of Daly," said CEO Bob Blink. "We look forward to rewarding our investors' patience with this initial phase and present the true potential we believe The Daly Building has to offer. As early as Q4 2020, we expect to see an incremental increase in revenue from Distribution activities in the vicinity of \$6,000,000 CDN per quarter. When combined with existing revenues, our target run-rate by our fiscal year-end should exceed previous projections and be in the neighborhood of \$36,000,000 CDN."

Lyfted Farms has accepted a contract with *Bay Alarm Company* to install a state of the art, integrated security system in preparation for commercial activity at the Daly facility. Pre-site preparations are underway, and system completion is expected by August 15, 2020.

Additionally, the facility's triple-redundancy heating, ventilation, and air conditioning "HVAC," sub-forty-degree Fahrenheit freezer, and distribution area systems have been activated for pre-cooling and calibration within the areas of operation. Employee technician training has started on the Company's high speed automated packaging systems, combining *WeighPack Swifty Baggers* and *Combiscale* 14-head rotary scales to provide high-efficiency and precision filling, which reduce labor and material costs to industry-leading levels.

Packaging and support materials began arriving this week into the Daly distribution center with completion of the Phase 1 Distribution build-out expected by September 15, 2020.

About TransCanna Holdings Inc.

TransCanna Holdings Inc. is a California based, Canadian listed company building Cannabis-focused brands for the California lifestyle, through its wholly-owned California subsidiaries.

For further information, please visit the Company's website at www.transcanna.com or email the Company at info@transcanna.com.

On behalf of the Board,

Bob Blink, CEO
604-349-3011

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs regarding future events of management of the Company. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this news release and include without limitation estimates and forecasts and statements as to management's expectations for growth and the commencement of operations of the Company's Daly facility.

The forward-looking information in this press release is based upon certain assumptions that management considers reasonable in the circumstances, including that operations will commence at the Company's Daly facility in Modesto, California as and when expected.

These forward-looking statements involve numerous known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially from any future results, events or developments expressed or implied by such forward-looking statements. Risks and uncertainties associated with the forward looking information in this news release include, among others, dependence on obtaining and maintaining regulatory approvals, including state, local or other licenses and any inability to obtain all necessary governmental approvals licenses and permits to complete upgrades to its Daly facility in a timely manner; engaging in activities which currently are illegal under U.S. federal law and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, particularly in California, due to inconsistent public opinion, perception of the medical-use and adult-use marijuana industry, bureaucratic delays or inefficiencies or any other reasons; any other factors or developments which may hinder market growth;; reliance on management; and the effect of capital market conditions and other factors (including those related to the COVID-19 pandemic) on capital availability; competition, including from more

established or better financed competitors; and the need to secure and maintain corporate alliances and partnerships, including with customers and suppliers.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look, except in accordance with applicable securities laws.