FinCanna Announces Extension and Repricing of Previous Convertible Debenture Financing and an Increase in the Convertible Debenture to Raise $2.5 million

written by Raj Shah | June 25, 2020

June 25, 2020 (Source) – **FinCanna Management Subscribes for an Additional $500,000 of the Convertible Debenture**

FinCanna Capital Corp. ("**FinCanna**") (CSE:CALI)(OTCQB:FNNZF), a royalty company for the U.S. licensed cannabis industry, announces amendments to the terms of its outstanding Convertible Debentures and Warrants and announces a new Convertible Debenture Financing.

Amendments to Outstanding Debentures and Warrants

The Company has received Debenture and Warrant Holder approval to amend the Convertible Debentures and Warrants as follows. The Maturity period for the Debentures and Warrants will be extended for an additional 24 months to January 10, 2023, and February 8, 2023, for the first and second tranches, respectively. The conversion price of the Debenture has been decreased from $0.20 to $0.15, the amount of debt that the Company can raise that will rank *pari pasu* with the Convertible Debentures has been reduced from $4,000,000 to zero and the Debenture Limit under the Trust Indenture has been increased from $4,800,000 to $7,300,000.

Debenture Financing

The Company now intends to raise $2.5 million by way of a new Convertible Debenture financing on the following terms:

The subscription price is $1,000 per Unit. The Debentures will mature on February 8, 2023, and will bear interest at 12% per annum, payable in cash or, at the option of the Subscriber, in common shares of FinCanna subject to certain conditions. The Debenture is convertible into Common Shares at CAD$0.15 per share. Subscribers for Debentures will receive 5,000 common share purchase warrants for each Unit of the principal amount of Debenture. Each Warrant will entitle the holder to acquire one Common Share of FinCanna for CAD$0.30 at any time up to the maturity date.

The FinCanna management team will subscribe for $500,000 principal amount of the Debentures.

FinCanna intends to use the net proceeds from the Convertible Debenture to fund ongoing working capital and general corporate purposes as well as selective royalty investment opportunities.

“It is great to see such strong support from several prominent debenture holders and from our management team for the restructuring of our previous convertible debenture and the additional funds to FinCanna.” said Andriyko Herchak, CEO of FinCanna Capital. “This is a strong vote of confidence for what we’ve accomplished to date and for the future growth of our business.”

This financing is expected to close on or before July 3, 2020. FinCanna will pay a cash finder’s fee of 8% on a portion of the proceeds raised.

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.

The Canadian Securities Exchange has in no way passed upon the merits of the amendments to the terms of the outstanding Convertible Debentures and Warrants and new Convertible Debenture Financing and has neither approved nor disapproved the contents of this press release.

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

This news release contains forward-looking information based on current expectations. Statements about, among other things, the closing of the Convertible Debenture financing, expected terms and conditions of the Convertible Debenture financing, the completion, terms and size of the Convertible Debenture financing and the use of proceeds of the Convertible Debenture financing 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 ability to find suitable subscribers for the Convertible Debenture and the risk that the Convertible Debenture financing will not close as currently contemplated, or at all. Although such statements are based on management's reasonable assumptions at the date such statements are made, there can be no assurance that the Convertible Debenture financing will occur or that, if the Convertible Debenture financing does occur, it will be completed on the terms described above and that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on the forward-looking information. FinCanna assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.