



**For Immediate Release**

**June 25, 2021**

## **AGRICANN SOLUTIONS TO ACQUIRE BUSINESSES FOR SHARES**

**Vancouver, BC, June 25, 2021 – AgriCann Solutions Corp.** (the “Company”, “AgriCann” or “ASC”) is pleased to announce that it has entered into binding Letters of Intent to acquire three established, privately-held enterprises, and is exercising its option to acquire Sticky Leaf Cannabis (“Sticky Leaf”), summarized as follows:

1. Advantage Microbial Solutions (“AMS”), founded in Kelowna British Columbia in 2008, to be acquired through a share exchange whereby AgriCann acquires 100% of AMS (the “Target”), for closing consideration of \$3.5 million via the issue of 7,000,000 common shares at \$0.50 per share from treasury to its shareholders. It is expected that ASC will add one new director as a result of this acquisition.
2. Royal Asset Management, LLC (“RAM”), and Venture Product Consulting, LLC (“VPC”), founded in Denver Colorado in 2015, to be acquired through a shares-for-interests exchange whereby AgriCann acquires 100% of RAM and VPC for closing consideration of \$13.0 million via the issue of 26,000,000 common shares at \$0.50 from treasury to the stakeholders of RAM and VPC. It is expected that ASC will add two new directors as a result of this acquisition.
3. In accordance with AgriCann’s Option to Buy Agreement (the “Agreement” or “Option”) of October 12, 2020 (see news release dated October 14, 2020) Sticky Leaf has been given notice of the exercise of ASC’s Option to acquire the business for common shares of AgriCann. Sticky Leaf is currently operating under (i) Cannabis Retail Store (“CRS”) Licence #450020 issued by the BC Liquor and Cannabis Regulation Branch (“BC LCRB”), located in Creston; (ii) CRS Licence #450334 issued by the BC LCRB, located in Okanagan Falls, and (iii) the in-progress BC LCRB licence application for a CRS in Penticton. Sticky Leaf, historically operated as an unincorporated business, is in progress to become a 100%-owned incorporated subsidiary of AgriCann as Sticky Leaf Cannabis Corp (“SLCC”). Upon completion of the legal acquisition of SLCC from the current shareholder, ASC will issue to the owner of SLCC one share of ASC valued at \$0.50 per share for each \$0.50 of retail sales, determined from trailing 12-month sales as at the exercise of the Option, subject to adjustments for certain gross profit and balance sheet requirements. Upon completion of the ownership transfer, ASC will release all personal guarantees given over the advances ASC made to Sticky Leaf under its line of credit, totalling \$275,000 to date. Based on recent sales information provided, but before any compensatory adjustments, up to 700,000 common shares of ASC priced at \$0.50 per share could be issued from treasury to the SLCC shareholder.

### **Transaction details**

The AMS acquisition remains subject to completion of a reorganization of the Target’s balance sheet such that certain shares, property, equipment, indebtedness, and other items not integral to the Advantage Microbial business are severed from the accounts of the Target in a tax efficient manner. In the event that the land and building and/or other non-core assets remain as part of the acquisition, additional

compensation may be negotiated. All common shares issued for AMS will be subject to escrow and voluntary pooling restrictions.

The RAM and VPC acquisition is subject to consent from the Colorado Department of Revenue Marijuana Enforcement Division ("MED") and local governmental regulators, customary conditions and approvals, as well as adjustments for material changes to financial disclosure required upon audit. All common shares issued will be subject to escrow and voluntary pooling restrictions.

### **Related party disclosure**

The principals involved in these acquisitions are arm's-length parties to the Company, with the following exceptions:

1. Timothy Tombe controls AMS. Tim is an insider of AgriCann as he currently holds or controls approximately 14.84% of the issued and outstanding shares, which would increase to 21.98% upon conversion of the principal amount of the entire issue of Convertible Debentures ("CDs") into units of one share and a half warrant, and 24.32% upon exercise of all issued warrants given a further investment of \$500,000. Upon closing of the AMS, RAM and VPC acquisitions, Tim will hold or control 22.40% of AgriCann and become a director of AgriCann.
2. Robert van Santen is AgriCann's current CEO and a director, and holds or controls approximately 17.59% of the issued and outstanding shares of AgriCann, which would increase to 24.02% upon conversion of the principal amount of the entire issue of CDs into units of one share and a half warrant, and 26.13% upon exercise of all issued warrants given a further investment of \$500,000. Upon closing of the AMS, RAM and VPC acquisitions, it is expected that Rob will hold or control 16.10% of AgriCann by virtue of his wife Leslie van Santen's ownership of Phi Beta Capital Advisors Ltd., as a creditor of RAM and VPC, assuming settlement of that note for common shares as a participant in the acquisition of RAM and VPC. Leslie is currently a director of AgriCann but is expected to resign to make room for a new slate of directors post-closing of these acquisitions.

These transactions have been approved by the Company's board of directors and are expected to close on or before October 31, 2021.

AgriCann currently has 13,480,758 Common Shares outstanding. Upon completion of all the transactions contemplated herein without further adjustments, it is expected to have 47,180,758 shares outstanding.

### **About Advantage Microbial Solutions**

Advantage Microbial Solutions ("AMS"), founded in 2008, is a producer of green, sustainable soil amendments within Canada's premier agricultural area, the Okanagan Valley of British Columbia. AMS supplies organic crop production inputs to some of Canada's finest craft cannabis growers and leading organic produce producers, and manufacture the complete line of Micro Maxx Organics.

### **About Royal Asset Management, LLC and Venture Product Consulting, LLC**

Royal Asset Management LLC, doing business as Diego Pellicer (Colorado), and Venture Product Consulting LLC are privately held companies located in Denver, Colorado. Collectively they are a vertically integrated fully licenced cannabis enterprise with a focus on cannabis cultivation, extraction, infused product manufacturing, and retail sales. They continue to experience year-over-year growth and have consistently been recognized as Colorado's best and as an award-winning cannabis brand and dispensary.

### **About AgriCann Solutions Corp.**

The Company is a "Reporting Issuer" that originated as one of three spinouts upon completion of a statutory plan of arrangement completed by The Valens Company (VLNS-TSXV) (formerly Valens GroWorks Corp.)

on March 12, 2015. The Company is strategically acquiring suitable synergistic business opportunities with potential for scalable cash flow and sustainable growth to create shareholder value.

**ON BEHALF OF AGRICANN SOLUTIONS CORP.**

(signed) "Rob van Santen"  
CEO & Director

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*Some of the statements contained in this press release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "expects", "intends", "is expected", "potential", "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law. The Company will provide further updates respecting these initiatives as developments occur. There can be no assurance that interests in any or all of these or additional projects being pursued will be acquired, funded and/or commercialized.*

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