

Ventura Cannabis and Wellness

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Ventura Cannabis and Wellness eyes Utah's cannabis potential, plans to pursue medical cannabis license in the state

Ventura Cannabis and Wellness Corp (CSE:VCAN) shares jumped higher on Thursday after the firm announced that it is pursuing a large opportunity in Utah after the US state voted to award retail cannabis pharmacy licenses.

In afternoon trade in Toronto, shares in Ventura Cannabis were 10.7% higher at \$0.31.

In a statement, the Los Angeles-based company said it plans to pursue one of 14 licenses on offer in Utah, where the state government recently passed an amendment to its Medical Cannabis Act to allow private business to dispense medical marijuana.

Utah's Department of Health is commencing an RFP process to issue the licenses, with eight up for grabs in the first phase and six in the second phase. All 14 licenses are expected to be issued by July 2020.

READ: Ventura Cannabis and Wellness shows off surging cannabis revenue in preliminary fiscal 2Q results

Ventura's plans to expand into the medical cannabis sector in Utah comes as part of its transition from its prior focus on rehabilitation assets.

The company told investors that it is accelerating the disposition of its rehab assets, which is expected to bring in around US\$3.5 million in cash. According to Ventura, the result will be higher than anticipated increases in cash over the next two quarters.

"Now that we know our return metrics on acquiring cannabis assets are highly favorable, we want to quickly reduce distractions from the rehab business," Ventura's president Chris Heath said in a statement Thursday.

Heath said that the decision was taken as it wants to be viewed solely as a cannabis company.

"We reduce credit risk from being paid earn outs and payments by the licensee operators, as well as saving costs associated with regulatory and law enforcement issues that seem to arise with these operators, and we build our balance sheet in the case Utah regulators need to feel confident we can execute on the license if granted," Heath said.

The company recently revealed that it expects cannabis revenue to exceed C\$350,000 for the three months ending August 31, nearly four times greater than the C\$92,000 it reported last quarter.

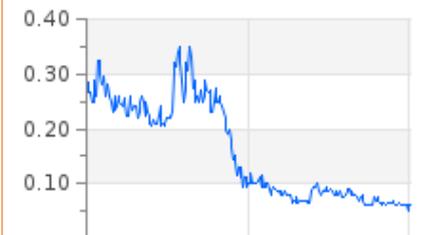
-- Adds share price --

Contact Angela at angela@proactiveinvestors.com

Price: 0.06

Market Cap: \$2.22 m

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: VCAN

Listing: CSE

52 week High Low
0.39 0.05

Sector: Cannabis

Website: venturacanna.com

Company Synopsis:

Ventura Cannabis and Wellness (VCAN) is a vertically integrated, California-based products cannabis company. The Company is currently building out its distribution channel through revenue sharing agreements with owner-operator of cannabis dispensaries to ensure its products get premium shelf space. The Company plans to target four significant segments in the U. S.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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