

Heritage Cannabis Holdings Corp.

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Heritage Cannabis provides initial funds to Empower Clinics for joint venture extraction facility

Heritage Cannabis Holdings Corp (CSE:CANN) (OTCMKTS:HERTF) announced Friday that it has provided C\$250,000 in initial funding to support the development of a joint venture extraction facility at Empower Clinics Inc's (CSE:CBDT) (OTCMKTS:EPWCF) hemp processing facility in Oregon.

Similarly, Empower Clinics' wholly-owned subsidiary, Empower Healthcare Assets Inc, has issued a convertible promissory note in the principal amount of C\$250,000 to Heritage.

Under the terms of the agreement, both Heritage Cannabis and Empower Clinics Inc will each own 50% of the partnership.

READ: Heritage Cannabis and Empower Clinics team up to produce CBD oils and formulations

Heritage subsidiary Purafarma Solutions Inc will install extraction units and downstream equipment at Empower's 5,000 square feet hemp processing facility in Oregon. Purafarma will also train and supervise staff on the methods of extraction and oil production that the company produces in Canada.

The partnership will be equally funded by Heritage and Empower, with Heritage investing an initial C\$500,000 in the joint venture to build out the partnership and secure hemp from local suppliers.

Using Heritage's formulations, the joint-venture partnership will produce proprietary branded products for Empower's health clinics in Washington State, Oregon, Nevada and Arizona, including Empower's subsidiary Sun Valley Health network that has access to over 165,000 patients.

In a statement, Empower Clinics CEO Steven McAuley said securing the initial advance from Heritage demonstrated the confidence both companies have in being able to finalize a deal for the formation of the joint venture and start full operations at the Sandy, Oregon facility.

"Receiving the advance allows us to place purchase orders for equipment and complete 2020 state licensing requirements to begin product production, which is expected to be followed soon after by the set-up of the hemp-derived CBD extraction equipment," said McAuley.

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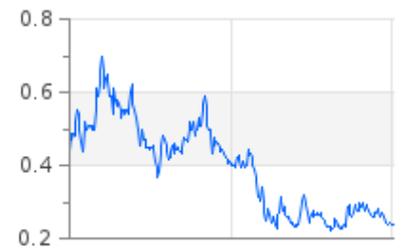
Heritage CEO Clint Sharples called the partnership a "big step" for the Canadian company as it expands its capabilities into the US.

"We at Heritage continue to be excited and optimistic about our potential with the large US markets," said Sharples in a statement.

Price: 0.24

Market Cap: \$113.67 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: CANN

Listing: CSE

52 week High Low
0.72 0.205

Sector: Cannabis

Website: heritagedcann.com

Company Synopsis:

The Company is focused on becoming a vertically integrated cannabis provider that currently has two Health Canada approved licenced producers, through its subsidiaries PhyeinMed Inc. and CannaCure Corp. both regulated under the Cannabis Act Regulations.

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"Having a distribution partner like Empower and a licenced facility together are expected to allow us to accelerate our path to new revenue and support the order pipeline we are building," he added.

The note bears interest at the rate of 2% per annum and will mature no later than December 31, 2021. The note contains an optional conversion provision for Heritage to surrender the note in exchange for shares in the capital of Empower.

The number of Empower shares to be issued to Heritage will be based on the value of the shares at the close of business the day before the note is surrendered to the company.

Toronto-based Heritage is a vertically integrated cannabis provider that currently has two Health Canada approved licensed producers, through its subsidiaries Voyage Cannabis and CannaCure Corp.

Vancouver-based Empower owns a network of physician-staffed medical clinics in Washington State, Oregon, Arizona and Nevada, treating more than 165,000 patients with a variety of qualifying conditions.

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