

Heritage Cannabis Holdings Corp.

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Heritage Cannabis strikes C\$6.7M loan deal ahead of receiving potential sales license

Heritage Cannabis Holdings Corp (CSE:CANN) (OTCMKTS:HERTF) says it is to advance the business with a C\$6.7 million loan from Trichome Financial Corp.

Trichome already advanced the cannabis group C\$4.875 million on January 30.

It will provide a further C\$1.825 million when the firm receives a Health Canada sales licence or Heritage achieving consolidated revenues of C\$7.5 million - whichever comes sooner.

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

"Continuing on our recent positive momentum and in advance of receiving our anticipated sales license, Heritage is very pleased to be strengthening our already conservative balance sheet," Clint Sharples, CEO of Heritage, told investors in a statement.

"This allows us the leverage to potentially take advantage of the many opportunities we're expecting ahead of us.

"Trichome has shown confidence in our strategy, signaling the strength of Heritage's business and expected continued success in the cannabis industry."

Proceeds will be used to fund capital expenditures, and other income-generating assets, said Heritage, which has two Health Canada-approved licensed producers in its subsidiaries Voyage Cannabis Corp. and CannaCure Corp.

Payable in full in 24 months

The loan is non-amortizing and payable in full 24 months following closing.

Heritage may request an increase in credit under the agreement up to C\$2.3 million.

The firm will pay an original issue discount of 4.5%, interest at a rate of 9.5% a year, paid monthly, and maintain certain working capital ratios.

A one-time set-up fee equal to C\$167,500 is due to Trichome on the closing date, it added.

Shares in Toronto slipped 1.85% to stand at C\$0.26 each.

Contact the author at giles@proactiveinvestors.com

Price: 0.165

Market Cap: \$78.16 m

1 Year Share Price Graph



May 2019 November 2019 May 2020

Share Information

Code: CANN

Listing: CSE

52 week High Low
0.6 0.105

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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