



Tidal Royalty Corp. Announces Letter of Intent To Finance Massachusetts Expansion

Toronto – July 3, 2018. Tidal Royalty Corp. (CSE:RLTY.U) (“**Tidal Royalty**”), a leading provider of royalty financing to licensed US cannabis operators, is pleased to announce the final terms of the Letter of Intent (“**LOI**”) entered into on April 30, 2018 with an established Oregon licensed operator (“**Oregon Cannabis Company**”) to finance the company’s expansion into the Massachusetts market.

The Oregon Cannabis Company is a vertically-integrated operator led by a sophisticated management team with operational experience gained at JP Morgan, other Fortune 500 companies, and a number of high-growth start-ups. It currently operates multiple cultivation facilities in Oregon, as well as a network of dispensaries, and an e-commerce and delivery platform in the state. Known for its unique and inclusive store branding, the Oregon Cannabis Company has plans for multi-state growth, starting with its expansion into the Massachusetts market.

Pursuant to the LOI, Tidal Royalty will provide the Oregon Cannabis Company with up to US \$12.5MM to finance the purchase and construction of a large-scale cultivation and processing facility, and the purchase and construction of 3 dispensaries. In return, the Oregon Cannabis Company will pay Tidal Royalty 15% of all net sales generated by the financed operations in Massachusetts in perpetuity.

“We are very pleased to announce this letter of intent,” said Paul Rosen, CEO & Chairman of Tidal Royalty. “This is a team that has built an enviable operation in the ultra-competitive Oregon market. The fact that they’ve managed to do so with limited resources speaks volumes to the talent and ability of their management team. With Tidal Royalty’s financial backing behind them, we expect that they will quickly establish themselves as a formidable competitor in the Massachusetts market.”

The Massachusetts adult-use marijuana market has the potential to be one of the most prosperous in the nation, according to Marijuana Business Daily. Massachusetts’ regulations took effect on March 29, 2018, and the Cannabis Control Commission began accepting recreational license applications on June 1, 2018.

The LOI includes an exclusivity period during which the Oregon Cannabis Company will not negotiate with any other party. It further provides Tidal Royalty with a right of first negotiation on any future financing with respect to the company or any of its affiliates. Closing of the transaction contemplated by the LOI is subject to, among other things, the satisfactory completion of Tidal Royalty’s diligence investigation, which is currently underway. Tidal Royalty expects to announce further particulars in respect to the contemplated transaction with the Oregon Cannabis Company upon the execution of a definitive agreement between the parties and the receipt of necessary regulatory approvals.



In addition to the LOI with the Oregon Cannabis Company, Tidal Royalty has entered into 2 additional letters of intent and is in the process of evaluating multiple opportunities across the U.S. The company is currently engaged in advanced discussion with counterparties in California, Florida, Arizona, Ohio, Michigan, New York and Nevada. Tidal Royalty intends to provide further particulars on those discussions, as the parties get closer to reaching agreement on definitive terms.

Tidal Royalty has raised approximately \$40MM to date by way of private placements, which it intends to use primarily for royalty financings and for general corporate purposes. The company was founded by experienced cannabis industry executives and provides expansion financing to licensed U.S. operators across multiple verticals, including cultivation, processing and manufacturing, dispensing, and ancillary services. Tidal Royalty directs interested stakeholders to visit its website at www.tidalroyalty.com to view the company's Corporate Presentation for more details, and the CSE's website to view the company's Listing Statement.

About Tidal Royalty

Tidal Royalty provides royalty financing to the U.S. regulated cannabis industry. Led by an executive team with extensive industry experience in Canada and the U.S., Tidal Royalty provides operators with the funding they need to grow their business. Operators benefit from non-dilutive capital and investors get top-line access to a diversified portfolio of companies that will form the future of this transformative industry.

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This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities law. Forward-looking information is frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or information that certain events or conditions "may" or "will" occur. Readers are cautioned that forward-looking information contained in this new release is not based on historical facts but instead is based on reasonable assumptions and estimates of management. Forward-looking information contained in this news release includes, but is not limited to: the ability to enter into definitive documentation in respect of letters of intent currently entered into by the company, the ability of the company to enter into additional letters of intent and associated definitive documentation with current or further proposed investee companies, the operating and



financial performance of any investee company to be funded by Tidal Royalty from time to time, the ability of the company to generate revenue or realize profit through royalty agreements with any future investee companies, the anticipated use of proceeds from private placements completed by the company and the effectiveness of the company's Advisory Board in providing strategic advice. Forward-looking information contained herein is based on the opinions and reasonable assumptions and estimates of management as at the date hereof, and is subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or results of the company to differ materially from those expressed or implied in the forward-looking information. Such factors include: U.S. regulatory landscape and enforcement related to cannabis, including political risks and risks relating to regulatory change, risks relating to anti-money laundering laws and regulation, other governmental and environmental regulation, public opinion and perception of the cannabis industry, risks related to the enforceability of contracts, the requirement by the company to obtain additional financing, the limited operating history of the company, timeliness of government approvals for granting of permits and licences needed by any future investee companies, including licences to cultivate cannabis, the actual operating and financial performance of any future investee company may differ materially from that anticipated by the company, competition and other risks affecting the company in particular and the U.S. cannabis industry generally and the risk factors effecting the company disclosed in the listing statement of the company available at www.sedar.com. Because of such risks, uncertainties and other factors, investors should not place undue reliance on the forward-looking information contained herein. The company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. The foregoing statements expressly qualify the forward-looking information contained herein. **This release does not constitute an offer for sale of, nor a solicitation for offers to buy, any securities in the United States.**

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