



Tidal Royalty Corp. Announces Letter of Intent To Finance Nevada Expansion and Extraction Facility

Toronto – July 9, 2018. Tidal Royalty Corp. (CSE:RLTY.U) (“**Tidal Royalty**”), a leading provider of royalty financing to licensed US cannabis operators, is pleased to announce that it has entered into a Letter of Intent (“**LOI**”) as of July 8, 2018 with an established licensed operator based in Las Vegas, Nevada (referred to as the “**Nevada Cannabis Company**”) to finance the expansion of the company’s operations in the state.

The Nevada Cannabis Company is led by a seasoned management team with experience in the cannabis industry, as well as deep ties to the music industry. As part of the transaction, the company will implement a newly-developed cultivation technology that will effectively double the available cultivation canopy (from 20,000 sq. ft. to 40,000 sq. ft.) in its central Las Vegas facility. The Nevada Cannabis Company distributes its products through its wholly-owned dispensary in Las Vegas, as well as through a network of 3rd party dispensaries throughout Nevada.

Pursuant to the LOI, Tidal Royalty will provide the Nevada Cannabis Company with up to US \$15MM to finance the company’s expansion plans and to establish a new processing facility that will enable it to bring a broader range of products to market. In return, the Nevada Cannabis Company will pay Tidal Royalty 15% of net sales generated by all operations in Nevada in perpetuity. This includes both net sales generated from existing cultivation and dispensary sales, as well as incremental sales generated by the planned expansion.

“We are excited to announce this LOI,” said Paul Rosen, CEO & Chairman of Tidal Royalty. “The combination of existing profitable operations, marketing expertise, sophisticated cultivation technology and a proven ability to win market share gives us great confidence that this company will experience continued growth and success in one of the largest cannabis markets in the US and the world. It is an archetypical company that we look to support with our innovative financing model, and it stands to benefit significantly from Tidal Royalty’s financial support.”

With over 40MM tourists visiting the state each year – in addition to a population of 3MM – Nevada has the potential to be one of the largest adult-use markets in the US. According to Marijuana Business Daily, the state’s adult-use market is expected to grow to US\$600MM by the end of the 2018. The vast majority of that revenue is expected to be generated in Las Vegas.

The LOI includes an exclusivity period during which the Nevada Cannabis Company will not negotiate with any other party. It further provides Tidal Royalty with a right of first refusal 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 details in respect to the



contemplated transaction with the Nevada Cannabis Company upon the execution of a definitive agreement between the parties and the receipt of necessary regulatory approvals.

This is the 3rd letter of intent that Tidal Royalty has announced in the past 2 weeks. With this LOI, the company has entered into letters of intent for expansion projects in California, Nevada and Massachusetts. In addition, Tidal Royalty is in the process of evaluating multiple additional opportunities across the U.S., including in California, Florida, Arizona, Ohio, Michigan, New York and Nevada. Tidal Royalty intends to provide further information on those discussions when the parties reach an agreement and execute an LOI.

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 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 Tidal Royalty, the ability of Tidal Royalty 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 Tidal Royalty to generate revenue or realize profit through royalty agreements with any future investee companies, the anticipated use of proceeds from private placements completed by Tidal Royalty and the effectiveness of Tidal Royalty'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 Tidal Royalty 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 Tidal Royalty to obtain additional financing, the limited operating history of Tidal Royalty, 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 Tidal Royalty, competition and other risks affecting Tidal Royalty in particular and the U.S. cannabis industry generally, and the risk factors effecting Tidal Royalty disclosed in the listing statement of Tidal Royalty 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. Tidal Royalty 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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