



## **Tidal Royalty Corp. Announces Letter of Intent with Vitalis Extraction Technology to Provide Royalty Financing for Cannabis Extraction Equipment**

Toronto – July 11, 2018. Tidal Royalty Corp. (CSE:RLTY.U) (“**Tidal Royalty**”), a leading provider of royalty financing to licensed U.S. cannabis operators, is pleased to announce that it has entered into a letter of intent (“**LOI**”) with Vitalis Extraction Technology (“**Vitalis**”) on July 10, 2018 to provide royalty financing to U.S. licensed operators purchasing products from Vitalis’s premium range of commercial large-scale extraction equipment solutions.

Vitalis, a leading extraction equipment provider, is renowned for their engineering, producing some of the highest-flowing industrial supercritical CO2 extraction systems for the cannabis industry. Regarded for their reliability, scalability, and continuous operation, Vitalis systems are designed and manufactured in accordance with ASME and CSA Standards. Vitalis has sold extraction equipment across the globe and its products are increasingly being purchased by licensed U.S.-based cannabis operators looking to expand their high-quality extraction business.

Pursuant to the LOI, Tidal Royalty will provide Vitalis with a facility up to US \$5.0MM to finance extraction equipment purchases by U.S. licensed operators. Vitalis customers that utilize the financing pay Tidal Royalty a cash royalty based on the number of grams of oil produced. The closing of the transaction contemplated by the LOI is subject to, among other things, the successful negotiation of definitive agreements, which is currently in progress. Tidal Royalty expects to announce further particulars in respect to the contemplated transaction with Vitalis upon the execution of a definitive agreement between the parties.

“We are very excited to apply our royalty financing product to such a promising vertical of the cannabis market,” said Paul Rosen, CEO & Chairman of Tidal Royalty. “We have been following Vitalis’ success and are very impressed with the quality of their extraction technology. We expect that adding Tidal Royalty’s innovative financing solutions as an option will create real value for licensed operators. The immediate demand that we are seeing is very promising and seems to reflect that.”

Concurrent with the LOI, Tidal Royalty and Vitalis are also pleased to announce that an agreement has been reached for the first customer to utilize the financing facility. The customer - a California-based licensed operator – will be purchasing the Vitalis Q-90 HP. The purchase will utilize approximately 10% of the total funding facility. Both Tidal Royalty and Vitalis are currently in discussions with other potential customers interested in utilizing the royalty financing facility to purchase extraction equipment.



The extraction market is rapidly developing as cannabis consumers demand a broader selection of products. Cannabis oil and cannabis oil-infused products, such as edibles, are among the fastest growing product verticals in the industry. As a result, licensed operators are increasingly focusing on increasing the quality and purity of their manufactured consumables.

This is the 4<sup>th</sup> letter of intent that Tidal Royalty has announced in the past 3 weeks. In addition to this LOI, the company has entered into letters of intent for large-scale expansion projects in California, Nevada and Massachusetts. Tidal Royalty is also in the process of evaluating multiple additional financing 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](http://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.

### **For further information, please contact:**

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