



## Tidal Royalty Corp. and Diem Cannabis Complete Agreement for Massachusetts Expansion

Toronto, Ontario – September 4, 2018. Tidal Royalty Corp. ([CSE: RLTY.U](#)) ([OTC: TDRYF](#)) (“**Tidal Royalty**”), a leading provider of royalty financing to licensed U.S. cannabis operators, is pleased to announce it has signed a definitive agreement with Diem Cannabis (“**Diem**”) to finance Diem’s expansion into Massachusetts.

[Diem](#) is an experienced licensed operator in the highly-competitive Oregon market. The company – founded by executives with Silicon Valley and Wall Street experience – has cultivation, retail and home delivery operations in Salem and Portland. Diem is known for its unique retail experiences that create safe, inviting environments for new and experienced consumers. Leafly – the largest cannabis website in the world – ranks Diem’s Salem retail location as one of the top dispensaries in Oregon, calling the store [“downright beautiful” and “Instagram-worthy”](#).

“We spent an incredible amount of time and effort in our diligence – as we do for all of our deals – and are more impressed than ever with the caliber of operators that we are backing,” said Paul Rosen, Tidal Royalty’s CEO and Chairman. “Diem has large-scale ambitions and continues to build out the capabilities to realize them. We expect that they will be a major player in the U.S. cannabis industry.”

Pursuant to the agreement, Tidal Royalty will provide Diem up to US \$12.5MM over the next three years to develop and operate a large-scale cultivation and processing facility and up to four dispensaries in Massachusetts. The Massachusetts adult-use marijuana market has the potential to be one of the most prosperous in the nation, according to Marijuana Business Daily.

“We founded Diem upon a sincere belief in the beneficial properties of cannabis, both to individuals and to communities. With Tidal Royalty’s support, we are now able to expand our reach across the nation,” said Chris Mitchem, Diem’s founder and CEO. “The Tidal Royalty team has been incredibly responsive to helping us achieve our ambitions. They understand what cannabis entrepreneurs need, which isn’t surprising given the history of their executive team. The fact that we can get access to the expansion capital that we need to grow – but also get to maintain our equity and control – made the decision to work with Tidal Royalty very easy.”

Diem is actively exploring opportunities in Massachusetts, having built out its development team in-state, and has already secured a number of locations in anticipation of applying for operating licenses. The company plans further expansion in additional states, and the parties are exploring opportunities to work together on such plans.

With the completion of this Agreement, Tidal Royalty has now consummated royalty transactions relating to operators licensed in Florida and Arizona, which operators intend to pursue licenses in Massachusetts, and has entered into letters of intent with licensed cannabis operators in California, Nevada, and Illinois. In addition, Tidal Royalty is in the process of evaluating multiple additional opportunities across the U.S.,



including in New York, Ohio, Pennsylvania, Texas and Michigan. Tidal Royalty intends to provide further information on the opportunities it is evaluating when the respective parties reach an agreement and execute letters of intent.

### **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:**

#### **Tidal Royalty Corp.**

Terry Taouss, President

Email: [terry@tidalroyalty.com](mailto:terry@tidalroyalty.com)

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 closing of a transaction in respect of which definitive documents have been executed, the operating and financial performance, including planned expansions, of any investee company to be funded by Tidal Royalty from time to time and the ability of Tidal Royalty to generate revenue or realize profit through royalty agreements or equity investments with any future investee companies. In addition, this news release contains forward-looking statements attributed to third-party sources, the accuracy of which has not been independently verified by Tidal Royalty. 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, many of which are beyond the control of Tidal Royalty, 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, 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](http://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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