

**Top Strike Resources Corp. Announces Recapitalization Financing,  
New Management Team and Board of Directors and  
Concurrent Listing on the Canadian Stock Exchange**

**July 3, 2018 - Calgary, Alberta** – Top Strike Resources Corp. (“**Top Strike**” or the “**Corporation**”) (TSX Venture-NEX: TSR.H) is pleased to announce a private placement of between \$5.0 and \$25.0 million, provided that the Corporation shall be entitled to increase the size of the private placement to \$30.0 million as a result of excess demand (the “**Private Placement**”) and the appointment of a new management team and board of directors (the “**New Management Team**”) (collectively, the “**Transaction**”).

Completion of the Transaction is subject to the delisting of the common shares of the Corporation (“**Common Shares**”) from the NEX board (the “**NEX**”) of the TSX Venture Exchange and the concurrent listing of the Common Shares on the facilities of the Canadian Securities Exchange (the “**CSE**”) and customary closing conditions, including the approval of the NEX to delist and the satisfaction of the initial listing requirements of the CSE. The CSE will issue a bulletin confirming the date on which trading of the Common Shares on the CSE will commence, which is anticipated to be within four days of the completion of the Private Placement. The Transaction will constitute an arm’s length transaction.

The completion of the Private Placement is expected to occur on or about August 1, 2018 and may be completed in one or more tranches (the “**Closing**”). The resignation of the current board of directors and management team of Top Strike and the appointment of the New Management Team will occur contemporaneous with the Closing.

The Transaction will see the Corporation transition from a resource company to a company carrying on business in the cannabis sector. Upon completion of the Transaction, it is anticipated that the shareholders of Top Strike will be asked to approve, at a special meeting called for such purpose, a change of the Corporation’s name to “Vencanna Holdings Inc.”.

**New Management Team**

The New Management Team will be led by David McGorman as Chief Executive Officer & Director, Jon Sharun as Executive Director, Jason Ewasuik as Vice President, Originations and Mike Tanasichuck as Chief Financial Officer. The new board of directors will be comprised of David McGorman, Jon Sharun, Matt Christopherson, Alan Gertner, Dr. Inbar Maymon-Pomeranchick and W. Scott McGregor. Sony Gill, a partner in the Business Law Group in the Calgary office of the national law firm McCarthy Tétrault LLP, will act as Corporate Secretary.

The New Management Team has been extremely active in the legal cannabis sector; actively investing in Canada and the United States and having developed a deep network of contacts within the legal cannabis sector in North America and Europe. The New Management Team has significant investment banking and direct investing experience, and are skilled at identifying, evaluating and adding value to start-up companies.

## *Management Team*

David McGorman,  
Chief Executive Officer and Director

David has 25 years of experience in the financial services industry with a wide range of transaction experience. He has participated in over \$12 billion in transaction value; including private and public equity issues, debt placements, including M&A advisory and restructuring assignments. David is currently Managing Director of Black Spruce Merchant Capital; a Calgary based merchant bank advisory firm. Black Spruce has successfully launched and capitalized 51<sup>st</sup> Parallel (a Lethbridge based late-stage applicant) and CBI2 Capital (a publicly traded investment company with a focus on the Canadian cannabis market).

Jon Sharun,  
Executive Director

Jon has 18 diverse years of international investment, real estate, branding and business development experience; a Forty under 40 winner. Jon is Founder and Managing Partner of Venexo Capital, a boutique private equity firm that has raised in excess of \$100 million in healthcare, hospitality and real estate. Venexo has been an active and early investor into the medical marijuana sector including Aurora, Friday Night, The Green Organic Dutchman, and Emblem.

Jason Ewasuik,  
Vice President, Originations

Jason has over 10 years of global financial market and trading experience. Jason brings capital markets and acquisition expertise – sourcing, structuring, financing and managing investment opportunities. Currently he leads Venexo Capital's cannabis efforts as Director of Healthcare where Venexo has placed its private capital in over 20 cannabis initiatives.

Mike Tanasichuck,  
Chief Financial Officer

Mike joined Venexo in 2015 as Director of Finance with the responsibility of evaluating acquisitions, conducting due diligence, and managing portfolio companies. Previously, Mike was a Chartered Accountant at Deloitte & Touche where he provided financial advisory, tax, and audit services within Deloitte's Private Company Service line.

## *Board of Directors*

The new directors have strong track records, distinguished careers and have held prominent lead positions within a range of successful companies, including in the cannabis sector. Their combined experience and expertise will provide the New Management Team with invaluable advice, guidance and mentorship.

Matt Christopherson

Matt is the VP of Business Development and partner at Keirton Inc. With over a decade of experience in the cannabis industry, Keirton has made a name for itself by providing growers with the world's fastest and most dependable medical cannabis harvesting machines. Twisted Trimmer™ is the most recognized and widely used harvesting solution, not only in Canada, but internationally. Matt is a co-founder of Lift Cannabis Co. Lift is home to Canada's largest database of comprehensive medical marijuana reviews left by real patients. Matt is also a director of a non-profit organization, Ruben's Shoes.

Alan Gertner

Alan Gertner is the CEO of Hiku Brands and co-founder of Tokyo Smoke, an award-winning, internationally recognized, cannabis brand with a cross country network of retail stores. Prior to taking the reins of HIKU Brands and founding Tokyo Smoke, he led a \$+100 million organization at Google in Asia and was a founding member of Google's first Global Business Strategy team while based in Mountain View, California. Alan graduated Dean's list from the Richard Ivey School of Business.

Dr. Inbar Maymon-Pomeranchick

Dr. Inbar Maymon-Pomeranchik is a scientist and Biotech Investment Consultant Expert, specializing in Life Science, Biotech, Ag-tech and a particular expertise in the global medical cannabis industry. Ms. Inbar brings more than 15 years of experience in molecular & genetic research and as an R&D researcher and project leader in the Biotech industry in large, small and start-up technology corporates. Ms. Inbar is often seen speaking at global conferences, sharing her knowledge and insights, and exposing investors to various global opportunities.

W. Scott McGregor

Scott is a senior investment banking professional with over twenty years of energy and corporate finance experience. Most recently Scott served as Executive

Vice President of Merrco Payments, a secure payment gateway that provides a fully customizable method to regulate a direct-to-consumer cannabis mail-order system in Canada. Scott has a B.A. from Queens University and an M.B.A. from Rotman School of Management.

#### *Advisory Board*

Trent Woloveck

Trent is currently President of TGS National, a Colorado based integrated cannabis franchisor with operations in the U.S. and Canada. In addition to its proprietary genetics, cultivation, manufacturing and Point-of-Sale systems, TGS National is responsible for the highly recognized brands The Green Solution and NectarBee. Prior to TGS National, Trent was the COO of American Cannabis Company (AMMJ) which successfully procured licensing agreements for its clients in several states.

#### **Corporate Strategy**

The New Management Team has extensive experience in creating shareholder value and believes its focused full-cycle business plan and the current market environment provide an excellent opportunity to reposition Top Strike as a high growth cannabis investment vehicle. The New Management Team believes that Top Strike will be well positioned to take advantage of investment opportunities in the current global cannabis market.

Top Strike expects to execute on an international cannabis-focused investment strategy with an emphasis on state compliant opportunities in the United States through the development and management of a diversified portfolio of predominantly early stage cannabis investment opportunities. The recapitalized corporate structure will allow Top Strike to explore and invest in a number of strategic global opportunities in the medical and recreational cannabis industry including ancillary products and services. The Corporation plans to issue further press releases once it has identified specific investment opportunities. Top Strike's investment policy and information regarding investment opportunities will be submitted to the CSE for its review.

Upon completion of the Transaction, taking into account transaction and financing costs, the recapitalized Top Strike is expected to have a net cash position of approximately \$24 million, assuming the Private Placement, Insider Private Placement and Rights Offering (as defined below) are each fully subscribed, providing the New Management Team a platform to aggressively grow the business through strategic investments in the cannabis market.

Upon completion of the Transaction and subject to all regulatory and shareholder approvals, it is anticipated that the New Management Team will change the name of the Corporation from "Top Strike Resources Corp." to "Vencanna Holdings Inc.".

## **Private Placement and Insider Private Placement**

Pursuant to the Private Placement, Venexo Capital, together with additional subscribers on a non-brokered basis, will subscribe for units (“**Units**”) of Top Strike for aggregate gross proceeds of between \$5.0 and \$25.0 million at a price of \$0.06 per Unit, provided that the Corporation shall be entitled to increase the size of the private placement to \$30.0 million as a result of excess demand.

Each Unit shall be comprised of one Common Share and one-half of one Common Share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.09 per Common Share for a period of three years from the date of issuance of the Warrant. After one year from the date of issuance of the Warrants, the Corporation may accelerate the expiry date of the Warrants provided that the average trading price of the Common Shares is equal to or exceeds \$0.14 for any consecutive 20-day trading period following the first anniversary date of issuance of the Warrants.

In addition to the Private Placement, the New Management Team, together with additional subscribers identified by the New Management Team, will subscribe for units (“**Insider Units**”) of Top Strike for aggregate gross proceeds of up to \$1.5 million at a price of \$0.05 per Insider Unit (the “**Insider Private Placement**”).

Each Insider Unit shall be comprised of one Common Share and one Common Share purchase warrant (an “**Insider Warrant**”). Each Insider Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.06 per Common Share for a period of five years from the date of issuance, provided that if the Common Shares are either: (i) listed on the facilities of a stock exchange other than the CSE; or (ii) acquired for cash or for the securities of a public company not listed on the facilities of the CSE, then each Insider Warrant shall be exercisable for two Common Shares at a price of \$0.06 per Common Share.

Proceeds from the Private Placement and Insider Private Placement will be used to make investments in strategic cannabis investment opportunities and for general corporate purposes. Venexo, or its nominee, along with the New Management Team will be participating in the Private Placement for a minimum of \$1.0 million and shall be subscribing for up to \$1.5 million in the Insider Private Placement. The Transaction will not result in the creation of a new control person.

Upon completion of the Private Placement, the Company will grant stock options to the New Management Team and employees of the Corporation in an aggregate amount equal to 8.0% of the issued and outstanding Common Shares. The options will be exercisable at a price of \$0.06 per Common Share.

## **Rights Offering**

Upon completion of the Private Placement, Top Strike shareholders will be entitled to participate in a rights offering of the Corporation (the “**Rights Offering**”), which is expected to be conducted by way of a Rights Offering Circular. Pursuant to the Rights Offering, each shareholder as of the record date for such offering (the “**Record Date**”) will be issued one right (“**Right**”) for each Common Share held on the Record Date, entitling that holder to purchase one Common Share for every four

Rights held at a price of \$0.06 per Common Share at or before the expiry time of the Rights Offering, following which all outstanding Rights shall terminate and expire. Subscribers of Common Shares under the Private Placement and the Insider Private Placement will waive their right to participate in the Rights Offering with respect to any securities acquired pursuant to the Private Placement or the Insider Private Placement, as applicable. The Rights Offering is subject to applicable regulatory approval, including the CSE.

### **The Corporation**

The Corporation currently does not carry on active business activities. The Corporation has evaluated several opportunities. The Corporation had previously focused on international and domestic oil and gas projects but has expanded its scope to consider other industries as well. On February 1, 2017 the Corporation entered into a letter of intent with Phytopharma International Ltd. (“**Phytopharma**”). On January 9, 2018, the Corporation announced that Phytopharma and Top Strike had mutually agreed that they would not proceed with the transaction to combine Top Strike and Phytopharma. The Corporation continued evaluating opportunities for possible transactions.

The Corporation has 16,431,428 Common Shares, 900,000 options, and no other dilutive securities outstanding. The Corporation currently has a working capital balance of less than \$100,000 and no debt. Upon completion of the Insider Private Placement and the Private Placement, and assuming the exercise of all Rights issued in connection with the Rights Offering, Top Strike will have approximately 457.2 million Common Shares and approximately 732.6 million Common Shares outstanding on a fully diluted basis.

### **Board of Directors' Recommendation**

The board of directors of Top Strike has determined that the Transaction and the Rights Offering are in the best interests of its shareholders and has unanimously approved the Transaction and the Rights Offering.

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## **Reader Advisory**

*Completion of the Transaction and the Rights Offering is subject to a number of conditions, including but not limited to, CSE. There can be no assurance that the Transaction or the Rights Offering will be completed as proposed or at all. Trading in the securities of Top Strike should be considered highly speculative.*

*Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this news release.*

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available*

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## **Forward-Looking Statements**

*This news release may include forward-looking statements including opinions, assumptions, estimates, the New Management Team's assessment of future plans and operations, and, more particularly, statements concerning the delisting from the NEX and the listing on the CSE, the Transaction, the Rights Offering and the Insider Private Placement, the number of securities issued by way of the Private Placement and Insider Private Placement, the business plan of the New Management Team, the change of name of the Corporation, use of proceeds, net cash position and debt levels following completion of the Transaction.*

*When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements.*

*The forward-looking statements are founded on the basis of expectations and assumptions made by Top Strike which include, but are not limited to, the timing of the receipt of shareholder, regulatory and third party approvals, the future operations of, and transactions completed by Top Strike as well as the satisfaction of other conditions pertaining to the completion of the Transaction.*

*Forward-looking statements are subject to a wide range of risks and uncertainties, and although Top Strike believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized.*

*Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, shareholder, regulatory and third party approvals not being obtained, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by Top Strike with securities regulatory authorities.*

*Except as required by applicable laws, neither Top Strike nor the New Management Team undertake any obligation to publicly update or revise any forward-looking statements.*