

Top Strike Announces 2021 Fourth Quarter Financial Results, 2021 Annual Financial Results, and Provides Corporate Activity and Update

CALGARY, AB, Aug. 27, 2021 /CNW - Top Strike Resources Corp. d.b.a. "Vencanna Ventures" (the "Corporation" or "Vencanna") (CSE: VENI) (OTCQB: TPPRF) is pleased to provide a summary of its financial results as of April 30, 2021. Selected financial information is outlined below and should be read in conjunction with the Corporation's financial statements and management's discussion and analysis for the three and twelve months ended April 30, 2021, which are available on SEDAR at www.sedar.com.

Financial Highlights

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

Quarter ended (000's)	Apr 30, 2021 (\$)	Jan 31, 2021 (\$)	Oct 31, 2021 (\$)	Jul 31, 2020 (\$)	Apr 30, 2020 (\$)	Jan 31, 2020 (\$)	Oct 31, 2020 (\$)	Jul 31, 2020 (\$)
Revenue	1	(412)	138	(78)	950	308	282	116
Gain (Loss) for the period	(301)	(963)	(135)	(253)	713	59	(61)	(206)
Gain (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)
Total assets	10,009	10,464	10,790	10,873	9,294	8,671	8,439	8,468
Total liabilities	2,088	2,240	1,901	1,871	76	66	37	58

As of the date hereof, a major portion of the Company's business was derived from material ancillary involvement in US cannabis-related activities. As at April 30, 2021 91% of the Company's assets and 100% of income was directly related to US cannabis activities.

Corporate Activity and Update

On March 12, 2021, the Company announced it had entered into a loan agreement with the Cannavative Group LLC ("Cannavative") for US\$2.0 million. Further, the Company announced that it had entered into an exclusive non-binding letter of intent with Cannavative (the "LOI"), pursuant to which the Company will acquire all the common shares in the capital of Cannavative in an all-share exchange through the issuance of an aggregate of 360,000,000 common shares. The proposed transaction is subject to, among other things, the execution of a definitive agreement between the Company and Cannavative (the "Definitive Agreement"), Nevada state regulatory approval, satisfactory completion of Cannavative's audited financial statements, and customary closing conditions. The Definitive Agreement is expected to be completed in the late summer or fall of 2021.

On Oct 5, 2020, the Company re-commenced its Normal Course Issuer Bid. The Company may purchase up to 5.0% of its issued common shares for a period of up to one year from the commencement date of the bid. During the year the Company purchased 580,000 of the eligible 9,099,570 common shares at a cost of \$13,080 for an average cost of \$0.023 per common share. All 580,000 common shares are held in treasury until subsequently cancelled. On March 1, 2021, the Company cancelled 500,00 common shares and on May 4, 2021 the Company cancelled the remaining 80,000 common shares.

On July 3, 2020, the Company acquired a second convertible note (the "GOH Note 2") issued by Galenas LLC. The principal sum is US\$1,300,000. The GOH Note 2 carries an interest rate of 9.6% and US\$10,400 is paid monthly with a maturity date of August 1, 2021. The holder can convert the note into 223 membership units of Galenas LLC which equates to an approximate 10.3% interest in Galenas LLC. As at the year ended April 30, 2021, the Company also held a US\$3,300,000 convertible note issued by Galenas LLC (the "GOH Note"). With the addition of the GOH Note 2 the Company has the option to convert its Galenas debentures into an approximate 45% interest in Galenas LLC.

Concurrent and in connection with the transaction of the GOH Note 2 the Company issued a US\$1,300,000 convertible debenture with a common share conversion rate of 26,000,000 common shares (the "Debenture"). The Debenture carries an interest rate of 8.0% and is accrued and payable on January 31, April 30, July 31, and October 31 of each year; interest is paid in cash, common stock, combination thereof, or accrued. The Company also holds an option to extend the maturity of the Debenture to July 3, 2024, at an interest rate of 9.6% and a common share conversion rate of 29,000,000 common shares. The Company may elect to force conversion if the Company's VWAP equals or exceeds US\$0.075 per common share.

Subsequent Transactions

Subsequent to the year ended April 30, 2021, the Company settled all obligations related to its GOH notes. On July 7, 2021, and July 30, 2021 the Company received approximately US\$4.2 million and US\$1.3 million respectively. As a result, the Company's cash position post settlement of the GOH notes is approximately \$7.3 million.

COVID-19

The full impact of the COVID-19 pandemic and jurisdictional policies put into effect to counter the virus (including social distancing and the closure of certain non-essential services) continues to be unknown at this time. While a number of US states have opened up to pre-pandemic levels, surges in new variants have been widely reported, and localized restrictions have been reimplemented. While restrictions were in place, all U.S. states deemed access to medical cannabis an "essential" service, and most U.S. states deemed access to recreational cannabis an "essential" service. Further, many state jurisdictions worked with their local cannabis associations in designing safe strategies to maintain the delivery of cannabis to their respective patients and customers. However, as COVID-19 continues to spread throughout the U.S. and other countries, and the duration and severity of its effects, and its variants, are currently unknown, there is a potential for future disruption within the industry, and if cannabis as an "essential" service will be continued, or how future policies will impact US cannabis businesses.

About Vencanna

On September 24, 2018, the Corporation announced the completion of a recapitalization financing, the appointment of a new management team and board of directors and commencement of trading on the CSE. The transactions have transitioned the Corporation from an oil and gas issuer to a merchant capital firm, rebranded as "Vencanna Ventures". The recapitalized Corporation aims to be a go-to capital provider for early-stage global cannabis initiatives with an emphasis on strong management operating in state compliant jurisdictions with barriers to entry. The Corporation looks to provide investors with a diversified, high-growth, cannabis investment strategy through strategic investments and acquisitions focused throughout the value chain (cultivation, processing and distribution, and including ancillary businesses).

Forward-Looking Statements

This news release may include forward-looking statements including opinions, assumptions, estimates, the Corporation's assessment of future plans and investment strategy, and, more particularly, the business plan of the Corporation including future global cannabis investments. When used in this news release, 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 the Corporation, including the impact of increasing competition; timing and amount of capital expenditures; the legislative and regulatory environments of the jurisdictions where the Corporation and its investments will carry on business, have operations or plan to have operations; the ability of the Corporation to enter into contracts with companies to provide financing on acceptable terms; conditions in general economic and financial markets; the ability of the Corporation's investments to execute on their business plan; and the Corporation's ability to obtain additional financing on satisfactory terms or at all. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Corporation 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, changes to global cannabis laws, how the developing U.S. legal regime will impact the cannabis industry, the ability of the Corporation to implement its corporate strategy, the state of domestic and international 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 the Corporation with securities regulatory authorities. Except as required by applicable laws, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements.

To the knowledge of Vencanna's management, Vencanna's investments are not in any material non-compliance with applicable licensing requirements and the regulatory framework enacted by the states in which such investments operate.

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.

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