

Top Strike Announces 2023 Third Quarter Financial Results ending January 31, 2023 and Corporate Update

CALGARY, AB, March 31, 2023 /CNW/ - Top Strike Resources Corp. d.b.a. "Vencanna Ventures" (the "Corporation" or "Vencanna") (CSE: VENI) (OTCQB: TTPRF) is pleased to provide a summary of its financial results as of January 31, 2023. 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 nine months ended January 31, 2022, 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	Jan 31, 2023	Oct 31, 2022	Jul 31, 2022	Apr 30, 2022	Jan 31, 2022	Oct 31, 2021	Jul 30, 2021	Apr 30, 2021
(000's)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	163	373	181	151	294	510	1	(412)
Income (Loss) for the period	(102)	(3)	(97)	(124)	3	281	(301)	(663)
Income (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)
Total assets	9,490	9,680	9,572	9,801	9,957	10,130	10,009	10,464
Total liabilities	2,409	2,497	2,391	1,712	1,741	1,718	2,088	2,240

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, 2022, 37% of the Company's assets and 100% of income was directly related to US cannabis activities.

Financial results for the three months ended January 31, 2023 and 2022

The Company recorded a net loss of \$102,266, \$(0.00) per common share for the three months ended January 31, 2023, as compared to net loss of \$124,045, \$0.00 per share for the three months ended January 31, 2022.

Revenues for the three months ended January 31, 2023, were \$163,402 (2022 - \$151,270). The Company generated \$143,780 (2021 - \$124,833) in interest income from its short-term treasury deposits and two receivable notes. Changes in fair value included an unrealized gain (loss) on investments and derivative instruments of \$124,420 (2022 - \$(63,070)) related to the change in fair value of its convertible debenture, the company also incurred an unrealized foreign exchange gain (loss) of \$(104,798) (2022 - \$89,507) related to currency fluctuations on the Company's US denominated balances.

Expenses for the three months ended January 31, 2023, were \$265,668 (2022 - \$275,315). Expenses included, salaries and benefits of \$149,630 (2022 - \$158,423), interest and bank charges of \$52,466 (2022 - \$38,683), corporate communication expenses of \$15,594 (2022 - \$14,157), rent and parking expenses of \$8,961 (2022 - \$6,739), professional fees of \$29,003 (2022 - \$53,548), and other administrative expenses of \$10,014 (2022 - \$3,765).

Corporate Update and Recent Developments

The Company has made significant progress to advance its community partnerships including TGC New Jersey LLC ("TGC"), CGT New Jersey LLC ("CGT"), and October Gold LLC ("October Gold", collectively with TGC and CGT, the "NJ Entities"). To date, the New Jersey Cannabis Regulatory Commission ("CRC") has awarded TGC a Conditional Class 3 Cultivation and Manufacturing License, and each of CGT and October Gold a Conditional Retail License. A Conditional cannabis license allows the holder 165 days, subject to extension, to secure a site for operations, obtain municipal approval for the cannabis business, and for the license holder to submit its Conversion application to the CRC for their review and final approval for an annual license. TGC has secured its site and has received its municipal approval, and has submitted its Conversion application. During the period the NJ Entities incurred \$389,108 related to legal and professional fees, consulting fees, and license application milestone rewards. License milestone bonuses for the quarter were \$353,036.

On November 14, 2022, the Company advanced license application milestone bonuses on behalf of the NJ Entities to various shareholders of the NJ Entities to acknowledge work milestones completed including the receipt of individual conditional licenses. The Company US\$50,000 advance related to TGC's operating lease remains outstanding. Commencement of the lease is dependent on TGC successfully obtaining its Annual License and the deposit is fully refundable if TGC does not obtain its Annual License.

On November 14, 2022, the Company executed a \$75,000 facility loan agreement with CanX CBD processing Corp. ("CanX"). The loan is for general operating purposes and carries a non-compounded interest rate of 18%. The principal and interest balance are payable upon maturity. The maturity date of the note is March 28, 2023.

On April 25, 2022, the Company, and the Cannavative Group LLC ("Cannavative"), entered into a definitive unit exchange agreement ("Definitive Agreement") whereby the Company would acquire all the issued and outstanding membership units of Cannavative through the issuance of 240,000,000 common shares and 120,000,000 warrants with an exercise price of US\$0.05 per common share for a period of 18 months. In addition, US\$4.0 in Cannavative debt is to convert into 80,000,000 common shares and 32,000,000 warrants, 16,000,000 with an exercise price of US\$0.05 per common share for a period of 9 months and 16,000,000 with an exercise price of US\$0.075 per common share for a period of 18 months (the "Transaction"). The Transaction is subject to certain terms and conditions, including all regulatory approvals. On December 19, 2022, the State of Nevada's Cannabis Compliance Board approved the Transfer of Ownership Interest request. Given that the Transaction converts the Company from an investment Company into a US based cannabis operating company, the Transaction constitutes a "Fundamental Change" pursuant to the policies of the Canadian Securities Exchange (the "CSE"), and will be subject to the acceptance of the CSE and the shareholders of the Company. While progress has been made towards obtaining certain regulatory approvals, professional staffing shortages and market challenges have added to the Transaction timeline. The parties are looking to close the Transaction on or before June 30, 2023.

On March 11, 2021, the Company entered into a US\$2,000,000 facility loan agreement with Cannavative (the "Cannavative Note"). The maturity date of Cannavative Note has been extended to April 9, 2023.

Normal Course Issuer Bid ("NCIB")

On October 11, 2022, the Company's normal course issuer bid ("NCIB", the "Bid") expired. The board of directors has approved the renewal of the Bid, commencing after the Company's shares renew trading. During the period of the Bid, up to October 11, 2022, 128,000 shares were purchased pursuant to the Bid at a cost of \$4,090. These shares were cancelled. Under the Bid, the Company may purchase up to 5% of the Company's Shares.

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 focused through-out the value chain (cultivation, processing, and distribution, and including ancillary businesses).

Forward-Looking Statements

This news release may include "forward-looking statements" which reflect the Corporation's current expectations regarding the future results of operations, performance and achievements of the Corporation, including but not limited to: the signing of a Definitive Agreement in respect of the Transaction, including the terms thereof; timing for completion of the Transaction; required approvals for the completion of the Transaction and the expected receipt thereof; the business plan of the Corporation and Cannavative, including the business plan of the go-forward entity after completion of the Transaction; the anticipated benefits of the Transaction; the market for medical cannabis in the United States; the state of the cannabis market and U.S. regulatory changes in respect thereof; the effects of COVID-19 on the operations of Cannavative and the Nevada cannabis industry, generally; and expectations regarding the business plans of such companies. 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 expectations and assumptions concerning: the Transaction, including CSE and shareholder approvals, the execution of the Definitive Agreement in respect thereof and the satisfaction of other closing conditions in accordance with the terms of the Definitive Agreement; the future operations of, and transactions contemplated by, the Corporation and Cannavative; the impact of increasing competition; timing and amount of capital expenditures; the legislative and regulatory environments of the jurisdictions where the Corporation 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.

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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