

Top Strike Announces 2023 Fourth Quarter and Annual Financial Results ending April 30, 2023 and Corporate Update

CALGARY, AB, Aug. 29, 2023 /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, 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 twelve months ended April, 2022, which are available on SEDAR+ at www.sedarplus.ca.

Financial Highlights

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

Quarter ended	Apr 30, 2023	Jan 31, 2023	Oct 31, 2022	Jul 31, 2022	Apr 30, 2022	Jan 31, 2021	Oct 31, 2021	Jul 30, 2021
(000's)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	(366)	178	373	181	151	294	510	1
Income (Loss) for the period	(629)	(98)	(3)	(97)	(124)	3	281	(301)
Income (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)
Total assets	9,266	9,490	9,680	9,572	9,801	9,957	10,130	10,009
Total liabilities	2,323	2,409	2,497	2,391	1,712	1,741	1,718	2,088

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, 2023, 53% of the Company's assets and 92% of income was directly related to US cannabis activities.

Financial results for the three months ended April 30, 2023 and 2022

The Company recorded a net loss of \$629,433, \$0.00 per common share for the three months ended April 30, 2023 as compared to a net loss of \$806,212, \$0.00 per share for the three months ended April 30, 2022.

Revenues for the three months ended April 30, 2023, were \$(365,835) (2022 - \$(498,029)). The Company generated \$132,753 (2022 - \$123,309) in interest income from its short-term treasury deposits and two receivable notes. Changes in fair value included; an unrealized loss of \$258,255 (2022 - Nil) related to a fair value adjustment of the due to related parties balance, an unrealized (loss) on investments and derivative instruments of \$318,488 (2022 - \$(672,168)) related to the change in fair value of the Company's convertible debenture, and an unrealized foreign exchange gain of \$78,156 (2022 - \$50,829) related to currency fluctuations on the Company's US denominated balances.

Expenses for the three months ended April 30, 2023, were \$263,598 (2022 - \$308,184). General and administrative expense included, salaries and benefits of \$138,033 (2022 - \$135,538), professional fees of \$45,373 (2022 - \$51,845), consulting fees of Nil (2022 - \$50,602), interest and bank charges of \$52,009 (2022 - \$37,598), and other expenses of \$28,183 (2022 - \$32,601).

Corporate Update and Recent Developments

On August 16, 2023, the Company amended and restated its definitive agreement with Cannavative (the "A&R Definitive Agreement" or the "Transaction"). Under the A&R Definitive Agreement, the Company will acquire all the membership units of Cannavative through the issuance of 29.4 million common shares, and the issuance of 14.7 million purchase warrants, with each warrant being exercisable for one common share at an exercise price of US\$0.10 for a period of 18 months ("B Warrants"). Cannavative's approximate \$US6.8 million in debt is to convert into 90.4 million common shares, 18.1 million warrants with an exercise price of US\$0.075 per common share exercisable for a period of 18 months from the date of issuance ("A Warrants"), and 18.1 B Warrants. Subject to the achievement of certain 2024 financial milestones and receipt of certain receivables, holders of Cannavative membership units will also receive up to 75 Earn-Out Units per membership unit; each Earn-Out Unit will consist of one common share and one-half purchase warrant. Additionally, the Company's unsecured convertible debenture with a principal balance of US\$1.3 million plus accrued interest will convert into approximately 38.1 million common shares.

Upon closing of the Transaction, the Company is expected to have approximately 345 million common shares, 107.3 million purchase warrants, 17.3 million options, no debt, and over \$5 million in cash. The Transaction is expected to constitute a "Change in Control" and a "Fundamental Change" pursuant to the policies of the CSE and is subject to the customary regulatory and shareholder approvals. It is anticipated the transaction will close on or before October 31, 2023.

The Company continues to make progress to advance its community New Jersey partnerships; TGC New Jersey LLC ("TGC"), CGT New Jersey LLC ("CGT") and October Gold LLC ("October Gold", collectively with TGC and CGT, the "NJ Entities"). 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 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 a 15,500 s.f. site in Cinnaminson NJ, received its requisite municipal approval, and has submitted its Conversion application for cultivation and manufacturing and concurrently has submitted its retail application (as of Feb 2023, the state allows cultivators and manufacturers to also be licenced retailers). The Company and its community partners continue to review attractive sites for CGT and October Gold, collaborating closely with local municipalities. During the year the NJ Entities incurred \$729,896 in consulting, professional fees, and advances to related parties.

On March 11, 2021, the Company entered into a US\$2,000,000 facility loan agreement with the Cannavative Group LLC ("Cannavative") to facilitate planned capital expansion initiatives or other uses as agreed by the Company (the "Cannavative Note"). On March 31, 2023, the parties signed an Amended Restated Letter Loan Agreement, where the Cannavative Note is due within 90 days upon demand with interest payable monthly.

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.

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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For further information: regarding this news release, please contact: David McGorman, Chief Executive Officer and Director; Jason Ewasuk, Vice President, Originations, info@vencanna.com; Top Strike Resources Corp., Suite 200, 622 5th Ave. S.W., Calgary, AB T2P 0M6

CO: Top Strike Resources Corp.

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