

Top Strike Announces 2024 First Quarter Financial Results ending July 31, 2023 and Corporate Update

CALGARY, AB, Sept. 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 July 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 months ended July 31, 2023, 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	Jul	Apr	Jan	Oct	Jul	Apr	Jan	Oct
(000's)	31,	30,	31,	31,	31,	30,	31,	31,
	2023	2023	2023	2022	2022	2022	2022	2021
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	41	(366)	178	373	181	151	294	510
Income (Loss) for the period	(196)	(629)	(98)	(3)	(97)	(124)	3	281
Income (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00
Total assets	9,056	9,266	9,490	9,680	9,572	9,801	9,957	10,130
Total liabilities	2,801	2,814	2,409	2,497	2,391	1,712	1,741	1,718

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 July 31, 2023, 57% of the Company's assets was directly related to US cannabis activities.

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

The Company recorded a net loss of \$196,805, \$0.00 per common share for the three months ended July 31, 2023 as compared to a net loss of \$96,853, \$0.00 per share for the three months ended July 31, 2022.

Revenues for the three months ended April 30, 2023, were \$40,815 (2022 - \$181,139). The Company generated \$149,995 (2022 - \$97,942) in interest income from its short-term treasury deposits and two receivable notes. Changes in fair value included; an unrealized loss of \$35,560 (2022 - Nil) related to a fair value adjustment of the due from related parties balance, an unrealized gain on investments and derivative instruments of \$55,763 (2022 - \$95,382) related to the change in fair value of the Company's convertible debenture, and an unrealized foreign exchange loss of \$129,383 (2022 - \$12,185) related to currency fluctuations on the Company's US denominated balances.

Expenses for the three months ended July 31, 2023, were \$236,900 (2022 - \$277,992). General and administrative expense included, salaries and benefits of \$130,605 (2022 - \$134,141), professional fees of \$42,260 (2022 - \$45,511), consulting fees of Nil (2022 - \$19,413), interest and bank charges of \$44,739 (2022 - \$42,819), and other expenses of \$19,296 (2022 - \$36,108).

Corporate Update and Recent Developments

The Secure and Fair Enforcement (SAFE) of Banking Act was initially passed by Congress on September 25, 2019 and has since passed 6 additional times. Currently Forty-two (42) senators have co-sponsored the SAFE Banking Act, including 8 Republicans and 3 independents. The title of the measure is now being called the Secure and Fair Enforcement Regulation (SAFER) Banking Act. On September 27, 2023 the Senate Banking Committee held a "mark up" to the SAFE Banking Act, passing the measure on a bipartisan vote of 14 to 9. This is a critical path to a senate vote. Chuck Schumer, Majority Leader of the Senate, says he intends to bring the banking bill to the senate floor with "all do speed" after an affirmative committee vote. The SAFER Banking Act protects depository institutions that provide financial services to cannabis related legitimate businesses and service providers for such purposes, and other purposes.

On August 29, 2023 the HHS sent a letter to the U.S. Drug Enforcement Agency (DEA) recommending moving cannabis from a Schedule I to a Schedule III controlled substance. A Schedule III classification would eliminate the application of IRC 280E, which applies to only Schedule I & II substances. The elimination of 280E would significantly reduce the tax burden and increase cash flows for U.S. state compliant cannabis businesses. Senior officials have been quoted as stating they do not recall the DEA to have ever deviated from a scheduling recommendation from the HHS.

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 345.0 million common shares, 107.3 million purchase warrants, up to 75.0 earn out units, 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 late October or early November 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 sties for CGT and October Gold, collaborating closely with local municipalities. During the period the NJ Entities incurred \$479,577 in consulting, professional, and development fee advances to related parties.

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. 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 throughout 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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