

Vencanna Announces Closing the Acquisition of The Cannavative Group and the Post-Transaction Management and Board of Directors

May 1, 2024 - Calgary, Alberta – Vencanna Ventures Inc. (the "**Company**" or "**Vencanna**") (CSE:VENI and OTCQB:TPPRF) is pleased to announce that it has closed its previously announced acquisition of The Cannavative Group ("Cannavative").

The acquisition of Cannavative, coupled with our ongoing developments in New Jersey, positions Vencanna's shareholders opportunities in the U.S. cannabis market. The landscape of the U.S. cannabis market, including cannabis reform, has been evolving. On August 29, 2023, Human Health Services ("**HHS**") forwarded a letter to the U.S. Drug Enforcement Agency (the "**DEA**") recommending the reclassification of cannabis from Schedule I to Schedule III. This proposed change would eliminate the application of IRC 280E, a tax provision currently applicable only to Schedule I & II substances. Such a move would substantially alleviate the tax burden on U.S. state-compliant cannabis businesses, leading to increased cash flows for the sector. In a monumental announcement yesterday (April 30th), the Associated Press reported that the DEA's decision to reschedule cannabis to a Controlled Substance Schedule III has been confirmed, according to people familiar with the matter. The final decision is subject to approval by the White House Office of Management and Budget, which is effectively President Biden.

"We are tremendously excited to have closed this important transaction on the very day of the DEA's decision to reschedule cannabis as a Schedule III Controlled Substance." said David McGorman, Vencanna's CEO. "The U.S. cannabis market continues to expand, and while the limited cannabis reform has impeded its full potential, that has allowed for grassroots operators like Cannavative to thrive and build a following. Cannavative has some of the bestselling brands in Nevada, which given their tourist industry exposes Cannavative's products to a national audience. We eagerly anticipate integrating the Cannavative team and product development into our operations."

Transaction Details

Vencanna acquired all of the outstanding membership units of Cannavative through an all-share exchange on April 30, 2024: Vencanna Acquisition Inc. ("**AcquisitionCo**"), a wholly-owned subsidiary of Vencanna, issued: (a) 56.8 million common shares of AcquisitionCo ("**Exchangeable Shares**"); (b) 10.6 million Exchangeable Share purchase warrants, each exercisable for one Exchangeable Share at an exercise price of C\$0.10 for a period of 9 months, and (c) 12.5 million Exchangeable Share purchase warrants each exercisable for one Exchangeable Share at an exercise price of C\$0.13 for a period of 18 months. The exchangeable securities are exchangeable, at the option of the holder, on a one-for-one basis for equivalent securities of Vencanna. Contingent upon the business of Cannavative achieving specific 2024 and 2025 financial milestones, holders of membership units will be eligible to receive up to 96.6 million additional earn-out units ("**Earn-out Units**"), each consisting of one Exchangeable Share and 0.5 of a Exchangeable Share purchase warrant, each such full earn-out warrant exercisable for one Exchangeable Share for 12 months from the date of issuance at an exercise price of the greater of C\$0.10 and the market price at the time of issue (collectively, the "**Transaction**"). The maximum of 224.3 million equity securities are issuable pursuant to the Transaction, including earnout securities and other deal related securities.

The Company also announces that the principal amount and accrued interest on the convertible debenture issued by Vencanna on July 3, 2020 was converted in full on April 30, 2024 into a total of 41.4 million common shares of the Company ("**Shares**") and 20.7 million Share purchase warrants, each

warrant exercisable at C\$0.075 for a period of 12 months. The Company now has approximately 278.6 million Shares, 43.4 million Share purchase warrants and 5.0 million options outstanding and up to 101.0 million Earn-out Units are issuable. The Company is debt-free with approximately C\$4.0 million in cash on hand.

Further details regarding Cannavative and the Transaction are available in the listing summary of Vencanna dated February 23, 2024, which is available on SEDAR+ (www.sedarplus.ca) under Vencanna's issuer profile.

Post-Transaction Management and Directors

Management and the board of directors is comprised of professionals from both entities, forming an integrated team capable of executing the Company's forward-looking business plan. This plan includes expanding market penetration in Nevada, venturing into New Jersey, and exploring other potential investment opportunities. The Company is honoured to welcome Cannavative's team, including Scott Wrye, as director, and Jason Crum, as Chief Revenue officer effective April 30, 2024. Matthew Christopherson and Smoke Wallin have stepped down from the board effective April 30, 2024. The board and management of Vencanna thank Messrs. Christopherson and Wallin for their invaluable insight, direction, and many contributions as directors. As directors, they were instrumental in guiding the Company through its numerous investments within the cannabis space, and including its acquisition of Cannavative. Vencanna thanks them for their many years of service and wishes them much success on their future pursuits. The Transaction marks a transformative shift for the Company, from a purely investment entity to include U.S.-based cannabis operations. The following outlines the Company's core team and directors:

Jon Sharun, Executive Chairman & Interim CFO

Mr. Sharun is a co-founder and the current Executive Chairman and interim CFO of Vencanna. He has more than two decades of diverse experience in international investment, real estate, branding, and business development. As the founder and Managing Partner of Venexo Capital, a boutique private equity firm that has successfully raised over \$100 million, he has spearheaded investments in healthcare, hospitality, and real estate. A pioneer in the cannabis sector, Venexo has made over 60 international placements. Jon is actively engaged on various private, public, and non-profit boards, earning recognition as a Top Forty Under 40 and a Top 100 in Finance award winner. His extensive list of qualifications includes an MBA, CPA, CSA, LEED AP, and ICD.D.

David McGorman, CEO & Director

Mr. McGorman, a co-founder and current CEO and director of Vencanna, brings a remarkable 25 years of experience from the financial industry. He has provided years of M&A and corporate structuring advice to clients, as well as leading their critical equity and debt placements. Mr. McGorman has held senior positions at prominent U.S. and Canadian financial institution, which has included The Chase Manhattan Bank, Raymond James Ltd., as well as serving as the CEO of Jennings Capital Inc. and Vice-Chairman at Research Capital Corp. Mr. McGorman is an alumnus of the University of Guelph, holding a Hon's B.Sc. in Theoretical Physics, and earned his M.B.A. from the DeGroote School of Business.

Jason Crum, Chief Revenue Officer

Mr. Crum currently holds the positions of President and Chief Revenue Officer at Cannavative, bringing over two decades of diverse experience in Consumer-Packaged Goods (CPG) and Fast-Moving Consumer Goods (FMCG), specifically in alcohol sales management. His extensive background includes roles at

industry giants like MillerCoors and Treasury Wine Estates, where he directly oversaw supply, distribution, and brand building in the beer and wine sectors. Jason's expertise encompasses team development, strategic analytics optimization, and operational efficiency enhancements. Since joining Cannavative in 2019, he has played a crucial role in significantly expanding the company's penetration in Nevada dispensaries and driving sales growth. Mr. Crum is an alumnus of UT Austin.

Alan Gertner, Independent Director

Alan Gertner, a founding director of Vencanna, currently holds the position of Vice Chair at iGaming Ontario, actively collaborating with the Government of Ontario and the Alcohol and Gaming Commission of Ontario to establish robust online consumer protection measures within the gaming industry., Alan served as the CEO of Hiku Brands and played a pivotal role as the co-founder of Tokyo Smoke, a globally acclaimed cannabis brand with an extensive network of retail stores across the country. The success of Hiku Brands and Tokyo Smoke culminated in their acquisition by Canopy Growth Corp. in July 2018. Prior thereto, Alan was a founding member of Google's inaugural Global Business Strategy team, initially based in Mountain View California. His expanding role with Google saw him leading one of their prominent Asian divisions. Alan earned Dean's list honors from the Richard Ivey School of Business.

W. Scott McGregor, Independent Director

Mr. McGregor, a founding director of Vencanna, has over two decades of corporate finance and capital market experience. Along with senior investment banking positions at Canada's leading independent brokers, Scott has been Managing Director at Invest Alberta Corp, a Crown corporation committed to facilitating investment and fostering trade in the province of Alberta, as well as the Senior Vice President of Merrco Payments Inc., a cannabis focused payment services company. Mr. McGregor is an alumnus of Queens University, holding a B.A., and earned his M.B.A. from the prestigious Rotman School of Management.

Dr. Scott Wrye MD, Independent Director

Dr. Wrye, a co-founder and director of Cannavative, brings a wealth of expertise as a private practicing physician and specialist in Cosmetic, Plastic & Reconstructive Surgery based in Reno, Nevada. Early on he championed the cause of medical cannabis, actively educating and assisting numerous patients in northern Nevada to legally access medical cannabis. Beyond his community advocacy, Dr. Wrye has played a pivotal role in guiding Cannavative's product and brand development. Dr. Wrye is a graduate of New York State University, College of Medicine.

About Cannavative

Established in 2016 as the first in Nevada to hold both cultivation and processing licenses, Cannavative stands as a distinguished cultivator and processor garnering shelf space in over 80% of the state's retail outlets. They are a multiple award-winning cultivator and processor: Leaflink's Top Brand in Nevada in 2021, a gold and silver medal at the 2020 Las Vegas Cannabis Awards, the 2019 Jack Herer Cup for their vape pen, and Leafly's Best Flower Products brand in 2018. Cannavative offers an extensive range of extracted items, including the Motivator infused pre-roll and Resin8 vape.

Cannavative operates from a 40,000-square-foot facility, situated on an 8.5-acre site in Reno Nevada. The facility includes a 10,000 square feet pharmaceutical-grade extraction lab and kitchen. In addition to its in-door cultivation, there's 2,800-square-foot high-tech light deprivation greenhouse, with significant expansion potential on the property.

Nevada is a major cannabis market in the U.S with sales over \$880 million in 2022 according to the State of Nevada Department of Taxation. Nevada's strong sales are supported by their tourism, with over 38 million visitors in 2022, according to the LVCVA Research Centre. The Nevada tourist industry, and Las Vegas in particular, offers Cannavative significant exposure for its national brand development.

About Vencanna

On September 24, 2018, the Company completed a recapitalization financing, appointed a new management team and board of directors, and commenced trading on the CSE as an investment issuer. The transactions transitioned the Company from an oil and gas issuer to a merchant capital firm, and rebranded as "Vencanna Ventures". The Company's continued aim is to be a go-to capital provider for early-stage cannabis initiatives. The Company focuses on strong management operating in strategic state-compliant jurisdictions, possessing unique characteristics and barriers to entry.

Vencanna Ventures is dedicated to offering investors a diversified and high-growth cannabis investment strategy. It proposes to achieve this through strategic investments and acquisitions spanning the entire cannabis value chain, encompassing cultivation, processing, distribution, retail, and ancillary businesses, with a particular focus in the Unities States of America.

For further information regarding this news release, please contact:

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Reader Advisories

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

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly, and without limitation, this news release contains forward-looking statements and information concerning the pro forma business plan of the Company and Cannavative; the anticipated benefits of the Transaction; the market for adult-use cannabis in the United States; and the state of the adult-use cannabis market and U.S. regulatory changes in respect thereof.

The forward-looking statements are founded on the basis of expectations and assumptions made by the Company, including expectations and assumptions concerning: the future operations of, and transactions contemplated by, of the pro forma Company; the impact of increasing competition; timing and amount of capital expenditures; the legislative and regulatory environments of the jurisdictions where of the pro forma Company will carry on business, have operations or plan to have operations; the ability of the Company to enter into contracts with companies to provide financing on acceptable terms; conditions in general economic and financial markets; the ability of the Company's investments to execute on their business plan; and the Company'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 Company believes that the expectations represented by such forward-

looking statements are reasonable, there can be no assurance that such expectations will be realized. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Although Vencanna believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Vencanna can give no assurance that they will provide to be correct. By its nature, such forward-looking information is subject to inherent risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. Without limitation, these risks and uncertainties include: risks inherent in manufacturing and product development; actions and initiatives of federal, state and local governments and changes to government policies and the execution and impact of these actions, initiatives and policies; uncertainty caused by potential changes to regulatory framework; regulatory approval and permits; environmental, health and safety laws; risks associated with the cannabis industry in general; the ability of the Company to implement its corporate strategy; the state of domestic and international capital markets; the ability to obtain financing; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

Readers are cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly there can be no assurance that such expectations will be realized. Vencanna undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking information contained herein is expressly qualified by this cautionary statement.

Certain information contained herein has been obtained from published sources prepared by independent industry analysts and third-party sources (including industry publications, surveys and forecasts). While such information is believed to be reliable for the purposes used herein, Vencanna does not assume any responsibility for the accuracy of such information.