

Top Strike Announces Issuance of US\$1.3 Million in convertible debentures and the purchase of a US\$1.3 Million Convertible Note issued by Galenas LLC

July 3, 2020 – Calgary, Alberta – Top Strike Resources Corp. d.b.a. "Vencanna Ventures" (the "**Company**" or "**Vencanna**") (CSE:VENI; OTCQB: TPRF) is pleased to announce the issuance of an Unsecured Convertible Debenture in the principal amount of US\$1,300,000.00 (the "**Debenture**") to a private investment fund (the "**Holder**"). The Debenture matures on July 3, 2022, with an interest rate of 8.0%, and is convertible at the option of the Holder into 26,000,000 common shares of the Company ("**Shares**"). The Company may, in its sole discretion, extend the maturity date an additional two years, in which case the interest rate shall be 9.2% and the Holder may convert the debenture at its option into 29,900,000 Shares. Interest shall accrue and be payable on January 31, April 30, July 31, and October 31 of each year with the initial payment being due July 31, 2020. The Company may elect to defer the accrued interest or pay the accrued interest in cash or Shares at the prevailing share price (or any combination thereof). The Company may force conversion if the Company's 20-day VWAP equals or exceeds US\$0.075 per Share. Further, if the \$1.3 MM Galenas Note (defined below) is retired or sold at less than the outstanding amount under the \$1.3 MM Galenas Note, the amount owing under the Debenture shall be reduced by the same amount.

Proceeds from the Debenture will be used to purchase from the Holder a convertible promissory note, issued by Galenas LLC ("**Galenas**"), with a face value of US\$1.3 million, interest of US\$10,400 payable monthly, and maturing on August 1, 2021 (the "**\$1.3 MM Galenas Note**"). The \$1.3 MM Galenas Note is convertible, upon the holder's option and subject to regulatory approvals, into 223 membership units of Galenas, which represents approximately a 10.3% equity interest. Upon the purchase of the \$1.3 MM Galenas Note, the Company will have the right to convert into 45% of Galenas membership units as the Company currently holds a \$3.3 million note issued by Galenas which converts, at the Company's option, into a non-dilutive 35% equity interest in Galenas. These notes expose the Vencanna shareholders to the potential equity upside, while still maintaining the protections as a lender as outlined in the respective note agreements.

David McGorman, Chief Executive Officer of Vencanna, stated: "we continue to support Galenas and are excited about the prospects of the Ohio market. Cannabis sales in 2019 reached US\$56 million, and according to the Ohio Department of Commerce cannabis sales for the first four months of 2020 was over \$50 million, with April being \$15 million. New Cannabis Ventures now estimates that 2020 cannabis sales could approach \$200 million in Ohio." Mr. McGorman further stated "Galenas continues to improve its efficiency and best practices resulting in higher yields, improved quality, and greater concentration of THC. Month over month sales has continued to increase, with management estimating that at its current capacity monthly sales could reach \$500,000 by Q4 2020."

Jon Sharun, a director of Vencanna, is a partner of the Holder. Mr. Sharun has abstained from voting at the director's meeting of Vencanna regarding the issue of the Debenture and the purchase of the \$1.3 MM Galenas Note (collectively, the "**Transaction**"). Due to the involvement of Mr. Sharun, who is a related party of Vencanna pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Transaction constitutes a "related party transaction" within the meaning of MI 61-101. In its consideration and approval of the Transaction, the board of

directors of Vencanna determined that the Transaction was exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Transaction, as it relates to related parties, did not exceed 25% of the market capitalization of Vencanna, in accordance with Sections 5.5 and 5.7 of MI 61-101.

About Ohio

Ohio currently has 33 provisional cultivation licenses (with 20 having received their Certificates of Operation), 45 provisional processor licenses (19 having received Certificates of Operation) and 57 provisional dispensary licenses (51 having received Certificates of Operation). With close to 12 million people, Ohio is the seventh most populous state in the United States.

The impact of the COVID-19 pandemic is still ongoing, though most US states deemed access to medical cannabis an "essential" service, as has Ohio. Measures taken by Ohio's Medical Marijuana Control Program regarding rules for buying cannabis include patients orders over the phone, curbside delivery, and Ohio's 90-day limit has been split into two 45-day purchasing windows thereby not requiring patients to buy their 90-day supply all at once and allowing patients to backdate their purchase allotment. It is unknown if this will be continued or how future policies may impact the Ohio cannabis businesses.

About Galenas

Galenas is a vertical three-tier-grow, patient-focused, craft medical cannabis cultivator located in Akron, Ohio. It is also the only organic licensed cultivator in the state. Galenas' 10,000 square foot facility won Architect Newspaper's 2019 Best Green Building Award, describing the facility as a "pharmaceutical-grade environment that meets highly technical specifications ... providing a better-quality product with greater yields while using 90 percent less water and 35 percent less energy than other cannabis facilities." The facility currently has over 3,600 square feet of cultivation, and expansion plans are underway which will add another 700 square feet in September and a further 700 square feet in December. Galenas received its Certificate of Operation in April 2019 and its product is now in all 51 of Ohio's operating dispensaries. The Galenas leadership team is comprised of professionals from several fields including horticulture, manufacturing, law, sales and marketing, supply chain management, quality control, and product development.

About Vencanna

On September 24, 2018, the Company 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 Company from an oil and gas issuer to a merchant capital firm, rebranded as "Vencanna Ventures". The recapitalized Company 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. While the cannabis markets have been challenging, valuations are becoming more attractive and there has been several US operators showing quarter over quarter growth in both revenues and cash flows. Further positive developments in the US include the passing in Congress last year of the SAFE Banking Act, with nearly half the GOP caucus voting in support of the bill. In light of this, the Company continues to review opportunities in state compliant jurisdictions and is confident that it will successfully build shareholder value.

For further information regarding this news release, please contact:

David McGorman
Chief Executive Officer and Director
david@vencanna.com

Jason Ewasuik
Vice President, Originations
jason@vencanna.com

Top Strike Resources Corp.
Suite 310, 250 6th Ave. S.W.
Calgary, AB T2P 3H7

Forward-Looking Statements

This news release may include forward-looking statements including opinions, assumptions, estimates, the Company's assessment of future plans and investment strategy, and, more particularly: the business plan of the Company including future global cannabis investments; the market for medical cannabis in Ohio and the United States generally; the state of the cannabis market, including the effects of the COVID-19 pandemic on the cannabis industry; the Investment in Galenas and the Company's ability to convert the \$1.3 MM Galenas Note; and expectations regarding Galenas's business plans, revenues and operations. 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 Company, including the impact of increasing competition; timing and amount of capital expenditures; the legislative and regulatory environments of the jurisdictions where the Company and its investments 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 effects of the COVID-19 pandemic on general economic conditions and the U.S. cannabis industry; 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.

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 Company 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 Company with securities regulatory authorities. Except as required by applicable laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

Field Co

Field Co

To the knowledge of Vencanna's management, Vencanna's investments, including Galenas, 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.