

Vencanna Ventures Announces Significant Investment in, and the Execution of a Letter of Intent with, The Cannavative Group LLC

March 12, 2021 – Calgary, Alberta – Top Strike Resources Corp. d.b.a. "Vencanna Ventures" (the "**Corporation**" or "**Vencanna**") (CSE:VENI; OTCQB: TPPRF) announces that it has entered into a loan agreement dated March 11, 2021 with The Cannavative Group LLC ("**Cannavative**"), a leading premium cannabis brand in the state of Nevada, whereby Vencanna will loan Cannavative US\$2.0 million for facility expansion and general working capital purposes (the "**Loan**").

Vencanna is also pleased to announce that it has entered into an exclusive non-binding letter of intent with Cannavative dated January 25, 2021 (the "**LOI**"), pursuant to which Vencanna will acquire all of the common shares in the capital of Cannavative in an all share exchange through the issuance of an aggregate of 360,000,000 common shares of Vencanna ("**Vencanna Shares**") at a deemed issuance price of US\$0.05 per Vencanna Share (the "**Transaction**"). The Transaction will be completed pursuant to a share purchase, take-over bid, or other similar structure or statutory procedure under the laws of Nevada. The Transaction is subject to, among other things, the execution of a definitive agreement between Vencanna and Cannavative (the "**Definitive Agreement**") and customary closing conditions. The Transaction is expected to constitute a "Fundamental Change" pursuant to the policies of the Canadian Securities Exchange (the "**CSE**") and is subject to the acceptance of the CSE and the approval of shareholders of Vencanna. Shareholders holding not less than 50% plus one Vencanna Share of the issued and outstanding Vencanna Shares will approve the Transaction by way of written resolution.

It is anticipated that the Definitive Agreement will be executed as expeditiously as possible, and the Transaction is expected to be completed in the summer of 2021. Pursuant to the LOI, Cannavative has agreed to deal exclusively with Vencanna with regard to the Transaction.

The all-share transaction closely aligns our respective principals and shareholders. Management and the board of directors of Vencanna post-Transaction will be comprised of professionals from both parties, creating a dynamic, integrated team, with the full capabilities to execute on all aspects of the Cannavative business plan. The attractive valuation, and being well capitalized with strong revenues and cash flow, will offer material upside, thereby further enabling Vencanna to exploit and accelerate on additional accretive transactions.

The Loan matures on March 11, 2022, at which time Cannavative will repay the Loan in its entirety including any accrued interest. Prior to the execution of the Definitive Agreement, interest on the Loan shall be 17.5% per annum. Upon execution of the Definitive Agreement, interest shall be reduced to 12.5% per annum. Further, if Cannavative enters into an alternative transaction with a third party or if any break fee is payable by Cannavative pursuant to the terms of the Definitive Agreement, the Loan will accelerate to the day that is 30 days from such event. Certain lenders to Cannavative will enter into subordination or similar agreements providing that the Loan is senior in right of payment to such indebtedness of Cannavative. The Loan will also include customary positive and negative financial and operating covenants providing Vencanna with oversight over Cannavative's operations while the parties execute the Transaction.

About Cannavative

Cannavative is a leading premium cannabis brand in the state of Nevada, producing a wide variety of flower and extracted products, including its award-winning brand, the Motivator [infused pre-roll]. Cannavative's products are sold in over 80% of the state's dispensaries and retail outlets, resulting in monthly revenues approaching US\$1.5 million per month. Their top products include the Motivator, Private Reserve Flower, and Resin8. Cannavative was a gold and silver medalist at the 2020 Las Vegas Cannabis Awards. In 2019 they won the Jack Herer Cup for their vape pen, the Sativa Clementine, and in 2018, Leafly named them the Best Flower Products brand. Based in Reno, Nevada, they have over 10,000 square feet ("sf") of indoor cultivation and 2,800 sf of greenhouse, with the ability to expand to 50,000 sf indoors and 280,000 sf of greenhouse grow space. In addition, the facility houses a 10,000 sf state-of-the-art pharmaceutical-grade extraction lab and kitchen. With capital-light expansion ability, the Loan will enable Cannavative to meet its growing demand. As an established and recognized brand, Cannavative will be looking to leverage its premium SOP's and products to expand into additional states where they have already received demand from the Nevada tourist industry.

Nevada Market

During the COVID-19 pandemic, international travel was almost non-existent and domestic travel was limited, resulting in Nevada tourism dropping to levels the state hasn't seen since 1993. This initially had a negative impact on cannabis sales as May 2020 saw sales down by 25% YOY. However, with tourism starting to return, and local resident purchases materially increasing, aggregate cannabis sales in December reached \$75 million, or 23% higher than the previous December. BDS Analytics projects the market to grow to \$1.0 billion of annual sales in 2021 and \$1.2 billion in 2022.

Message from Vencanna's Chief Executive Officer, David McGorman

"The US cannabis market continues to expand as additional states legalize medical and recreational use. Currently, 75% of the US population in 38 states has access to medical marijuana, and 15 of those states have given the green light for recreational use. The combination of Vencanna and Cannavative offers our shareholders immediate participation in the largest and most dynamic cannabis market. Adding in our investments, including outstanding applications, along with an attractive opportunity landscape, Vencanna is well positioned for growth."

Message from Cannavative's Chief Revenue Officer, Jason Crum

"Cannavative is thrilled to join forces with Vencanna, a partner that not only brings the capital necessary to fuel our continued growth but also the industry expertise to expand our footprint to wherever legal cannabis is sold. As a combined entity, we will draw on both companies' extensive experience to push the boundaries of innovation in cannabis while remaining focused on delivering the highest quality products to consumers."

Corporate Update

Vencanna has been a disciplined steward of investor capital since inception, making over \$13.0 million in investments with an average per annum return of 21%. The Corporation's current investments include Galenas LLC ("**Galenas OH**"), an Ohio Level II cultivator, and Galenas New Jersey LLC ("**Galenas NJ**"), a dispensary and cultivation license applicant in the state of New Jersey. Our insiders continue to support

the Corporation having purchased over 12 million shares, and in addition the Corporation's normal course issuer bid has acquired another 6.7 million shares.

Galenas OH is one of 33 licensed cultivators in the state of Ohio, and is the only organic certified cultivator in the state. Their 10,000-sf facility won Architect Newspaper's 2019 Best Green Building Award. The facility currently has 5,000 sf of cultivation with significant expansion potential on the property. Galenas OH's products command top tier pricing and are sold in all 52 operating dispensaries in the state. According to the Ohio Board of Pharmacy, state sales in 2020 exceeded \$220.0 million in its first full year of medical cannabis sales. Annualizing the most recent monthly sales would equate to over \$300.0 million.

The Galenas NJ applications were submitted in August 2019. However, the announcement of the winning applications has been delayed due to a legal challenge, and challenges related to the pandemic. However, on Feb 18, 2021, the New Jersey appellate court ruled in favour of the state and lifted the stay on issuing the 24 licenses (4 vertical licenses, 5 cultivation licenses and 15 dispensary licenses). While timing of when the licenses will be awarded is unknown, the application process is no longer being held up. This is all the more important given that on February 22, 2021, New Jersey legalized adult use cannabis. There currently are only 12 vertically integrated medical cannabis licenses in the state. Vencanna holds a 60% interest in the cultivation application and a 54% interest in the dispensary application.

Cannabis reform has become more of a reality now that the Democrats control both the Senate and Congress. Senate Majority Leader Schumer has been on record to work to move cannabis reform legislation, such as the Marijuana Opportunity, Reinvestment and Expungement (MORE) Act, a bill to federally de-schedule cannabis. It's not clear at this time what the cannabis reform proposal will entail, or when it will be released, however Rep. Schumer has said lawmakers are in the process of merging various pieces of legislation, which could include his own cannabis de-scheduling bill that he filed in the last two Congresses.

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 Inc.". 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).

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Reader Advisories

Completion of the Transaction is subject to a number of conditions, including, but not limited to, the execution of the Definitive Agreement, acceptance of the CSE and shareholder approval. The Transaction cannot close until the required CSE and shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

The CSE has in no way passed upon the merits of the Transaction and has neither approved nor disapproved of the contents of this news release.

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 may include forward-looking statements including opinions, assumptions, estimates, the Corporation's assessment of future plans and investment strategy, and, more particularly: 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 the Corporation's investments in Galenas Ohio and Galena NJ 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.

To the knowledge of Vencanna's management, Vencanna's investments, including Galenas Ohio and Galenas NJ, are not in any material non-compliance with applicable licensing requirements and the regulatory framework enacted by the states in which such investments operate.