

# Trichome Financial Corp. Announces Closing of Private Placement and Provides Corporate Update

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- *Private placement closed with gross proceeds of \$15 million, to be used by Trichome for its growing pipeline of specialty finance opportunities within the cannabis sector.*
- *Following Offering close, CannaRoyalty will own an approximate 30.3% stake in Trichome.*
- *Trichome welcomes Opaskwayak Cree Nation as a key shareholder and strategic partner.*
- *Onekanew Christian Sinclair appointed to the Board of Trichome.*

*All financial figures in Canadian Dollars (\$) unless otherwise noted.*

TORONTO, Sept. 7, 2018 /CNW/ - Trichome Financial Corp. ("Trichome" or the "Company"), a subsidiary of CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) ("CannaRoyalty") today announced it has closed its [previously announced](#) private placement (the "Offering"). Gross proceeds from the Offering were \$15 million. The Company intends to deploy the proceeds of the Offering into its growing pipeline of specialty finance opportunities within the cannabis sector as well as for general working capital purposes.

"The rapidly evolving nature of the cannabis industry and its increasingly complex needs for capital have become apparent over the last several months. There is a clear need for alternative forms of capital not available in the marketplace today. We are pleased to see the high degree of confidence in Trichome's business model by investors and are confident that it is well positioned to succeed both in the domestic market, as well as global markets that are creating legal frameworks for cannabis," commented Michael Ruscetta, CEO of Trichome. "With our Offering now closed, we look forward to meeting the capital needs of the cannabis sector while laying the foundation for our future."

The pipeline of opportunities continues to grow daily, reflecting both the structural growth of the industry as well as the diverse and complex requirements for capital. "The Trichome team is diligently working on closing on a number of accretive transactions over the coming months from our database of opportunities." Mr. Ruscetta added.

## Corporate Update

Concurrent with the closing, Trichome is pleased to announce the addition of Onekanew Christian Sinclair to the Board of Directors of Trichome. Onekanew Sinclair is a well regarded member of the Opaskwayak Cree Nation and co-chair of Manitoba's Northern Economic Development Strategy. He currently serves on the board of National Access Cannabis (TSX-V: META), in which OCN is both a significant shareholder and lender. Since 2002, he has worked with Indigenous groups across Canada and the United States, focused on corporate development for major natural resource projects related to hydro, mining, oil and gas. Onekanew Sinclair is well-connected and highly regarded by the First Nations communities throughout Manitoba and Canada, linking together development and partnerships with Indigenous and non-Indigenous communities.

Onekanew Christian Sinclair of OCN, commented, "With cannabis legalization just a few weeks away, we are excited to break ground in this new era for the cannabis industry in Canada. This is truly a historic deal, and the first of its kind, where a First Nation is joining hands with a specialty finance company. Our investment in Trichome builds on our existing diverse portfolio and we look

forward to the many possibilities and the opportunities across Canada and globally that this relationship will bring to First Nations investors."

"We are proud to partner with the Opaskawak Cree Nation on the closing of Trichome's first external capital raise and welcome Christian Sinclair to the Board of Trichome. We look forward to the opportunities that this relationship will bring to Trichome, OCN and other First Nations in the years ahead," said Marc Lustig, Chairman of Trichome.

"We are pleased to partner with Trichome and announce this deal, which is truly unique in Canada. We recognize the expertise of Trichome's management and board and look forward to growing together as the cannabis industry develops and matures," noted Norman Glen Ross, Chairman of Paskwayak Business Development Corporation, the economic development arm of the OCN.

## **Post-Financing Capitalization**

- CannaRoyalty subscribed for 323,044 shares for a total subscription of \$1,527,998.12.
- Prior to the Offering, CannaRoyalty owned an approximate 50.4% interest in Trichome. As of the closing of the Offering, CannaRoyalty owns an approximate 30.3% interest on a fully-diluted basis.
- Post the close of the Offering, founding shareholders, management and board members represent approximately 57.5% of the capitalization on a fully-diluted basis.
- New investors accounted for \$12,751,81 of the proceeds, representing approximately 42.5% of the fully diluted capitalization. Included in this amount is OCN's interest, representing approximately 9.9% of the fully diluted capitalization.

## **About Paskwayak Business Development Corporation**

Paskwayak Business Development Corporation (PBDC) is the economic development holding company of OCN and manages a diverse group of successful companies, ranging from real estate, leasing offices, retail, hospitality and construction among others.

## **About Trichome**

Trichome, was formed to offer credit-based capital solutions to companies operating in the legal cannabis market. Trichome provides flexible and creative capital solutions to companies across the value chain for a broad array of requirements. Focused initially on the Canadian market, Trichome will offer its capital solutions to companies operating in jurisdictions where it is legal to produce, sell and consume cannabis related products.

## **About CannaRoyalty**

CannaRoyalty is a North American cannabis consumer product company currently focused on building a leading distribution business in California, the world's largest regulated cannabis market. By building a world-class logistics platform and supporting contract manufacturing assets, the Company intends to support the growth of new and established cannabis brands. The Company believes California, home to some of the world's most discerning consumers and a nexus of information and trends, will be the point of inception for the global cannabis brands of the future. CannaRoyalty has developed a diversified portfolio of assets within the cannabis sector, including research, infrastructure and intellectual property to support our existing brands, partner products and distribution networks. The Company's leadership and staff combines passion and a hands-on understanding of the cannabis industry, with proven financial and legal expertise. CannaRoyalty's shares trade on the Canadian Stock Exchange (CSE) under the symbol CRZ and in the US on the OTCQX under the symbol CNNRF.

SOURCE CannaRoyalty Corp.

View original content: <http://www.newswire.ca/en/releases/archive/September2018/07/c5149.html>

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