



## **LGC Capital gets approval to fund ground breaking for the Québec medical cannabis operations of AAA Trichomes**

MONTREAL, Dec. 18, 2017 /CNW Telbec/ - **LGC Capital Ltd. (TSXV: LG) ("LGC")** is pleased to announce that further to the news release dated December 6, 2017, the TSX Venture Exchange has now approved LGC's transaction with Québec-based Tricho-Med Corporation (doing business as AAA Trichomes).

This approval now clears the path to break ground near Montréal for an initial 60,000 square feet of growing, processing and administrative facilities for medical cannabis in the Montréal area of Québec, Canada.

Ground breaking will, weather permitting, commence in January 2018 with construction and commissioning of Phase 1 expected to take about 10 months.

In order to significantly expand operations in Phase 2, AAA Trichomes has secured options on two 20-acre plots nearby the existing planned footprint, that will provide significant scope for expansion in Phase 2.

LGC will now be providing financial support in order to assist AAA Trichomes in becoming one of the larger growers in Québec thus maximizing Québec's low energy cost advantage in this part of the world.

At the closing of the transaction, LGC will enter into a convertible loan agreement with AAA Trichomes in an amount of \$4,000,000 (the "Loan"). The Loan will be disbursed in accordance with a pre-agreed milestone disbursement schedule. The Loan has a term of four years and will be secured by a first-ranking security on all of AAA Trichomes' assets. Interest on the Loan is fixed at an annual rate of 10% which will be payable from available operational cash flow. Upon AAA Trichomes obtaining a licence to cultivate medical cannabis from the relevant regulatory authorities, the Loan will convert into common shares of AAA Trichomes representing 49% of the AAA's then-issued and outstanding shares. LGC will also receive a 5% royalty on AAA Trichomes' net sales.

***John McMullen, CEO of LGC stated, "LGC Capital is a Canadian investment company with a truly global perspective and this investment in Québec is an important development and milestone for the Company. LGC is excited to partner with AAA Trichomes in creating a significant contributor to the rapidly expanding legalized cannabis sector in Canada.***

Subject to AAA Trichomes becoming a licensed producer, the AAA Trichomes processing facility will be an enclosed multi-level medical cannabis production operation. AAA Trichomes is scheduled to start operations in late 2018 or early 2019, with an initial annual production rate from the first 60,000 square feet, of approximately of 2,500 kgs annually and reaching a planned annual production rate in excess of 20,000 kgs by 2021 and thereafter significantly more as the project grows into the recently added forty acres now under option.

### **About AAA Trichomes:**

Tricho-Med Corporation (doing business as AAA Trichomes) is Québec based and was incorporated in 2014 with the objective of becoming a manufacturer and distributor of cannabis products in Canada with an initial focus on the Québec market. Since November 2016, AAA Trichomes has been in the final

review stage with Health Canada for the processing of its application to become a licensed producer under the Access to Cannabis for Medical Purposes Regulations.

### **About LGC Capital Ltd.:**

**[www.lgc-capital.com](http://www.lgc-capital.com)**

LGC Capital Ltd. is a Canadian incorporated public company listed on the TSX Venture Exchange (TSXV: LG). LGC is a diversified investment company with core holdings in businesses that provide shareholders with exposure to a diverse range of high-growth businesses, products and services. To date, LGC has entered into agreements for investments in private cannabis operations in South Africa, Australia and Canada. LGC also has a strategic alliance with AfriAg (Pty) Ltd. to grow and distribute medical and recreational cannabis products in the southern African region for export to regulated and certified end users around the world; with Creso Pharma Limited for the creation of a vertically-integrated cannabis operation, which includes cultivation, IP generation, product development, and commercialization; and is partnering with AAA Trichomes to build one of the larger regulated medical cannabis operations in Canada. LGC Capital Ltd. is headquartered in Montréal, Canada.

### **FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements with respect to LGC Capital Ltd. ("LGC"), its proposed investment in AAA Trichomes, and LGC's operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of LGC, including its proposed investment in AAA Trichomes, could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, government regulation and the factors described under "Risk Factors and Risk Management" in LGC's Management's Discussion and Analysis for the fiscal year ended September 30, 2016, as filed on SEDAR ([www.sedar.com](http://www.sedar.com)). The cautionary statements qualify all forward-looking statements attributable to LGC and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and LGC has no obligation to update such statements, except to the extent required by applicable securities laws.

### **Information Relating to AAA Trichomes:**

All information contained in this press release relating to Tricho-Med Corporation (doing business as AAA Trichomes) has been provided to LGC by AAA Trichomes. LGC has relied upon this information without having made independent inquiries as to its accuracy or completeness and assumes no responsibility for any inaccuracy or incompleteness of such information.

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