

Nespresso visits Cuba and Cuban coffee transaction proceeding on schedule

MONTREAL, Jan. 17, 2017 /CNW Telbec/ - **LGC Capital Ltd. (TSXV: QBA) ("LGC")** is pleased to announce that The Cuba Mountain Coffee Company Ltd ("CMC") has now agreed the contract terms with the Cuban Government owned Asdrubel Lopez, the main processor of coffee in Guantanamo province, which is designed to improve the quality and quantity of coffee production in the region and give CMC the rights to market, sell and take a share of proceeds for the top grades of coffee produced from the 17 highest and best microregions. The project is scheduled to begin this year with the first coffee exported at the end of the year.

The Nespresso CEO, accompanied by some of his team, have now visited some of the micro-regions in Cuba to inspect the latest harvest and tour a number of coffee de-pulping plants in the mountains. CMC has formed a strong relationship with Nespresso, having signed a Memorandum of Understanding last year, and Nespresso are expected to buy a large proportion of the Cuban coffee resulting from this project – Nespresso will also, subject to final agreement, assist with advice where appropriate.

The project also includes Asdrubel Lopez setting up a coffee roasting plant in their Guantanamo facility which will produce a brand of roasted coffee for the domestic and regional market. Discussions are also underway with a prominent Cuban music company to distribute the coffee through its Cuban retail outlets, along with a coffee shop offer which it is hoped will develop into the first Cuban coffee shop chain.

CMC's contract with the Government is now going through the approval processes with the Cuban agriculture and inward investment/export ministries.

CMC, in which LGC Capital has a 10% interest, will meet with The Government's Minagri and Asdrubel Lopez in early February to finalise any revisions and commercial terms before the project goes for final approval with the interested ministries.

The proposed contract is a Contract of Administration, by which CMC will jointly administer the 17 highest and best micro-regions in Guantanamo province with Asdrubel Lopez, who operate most of the beneficios (de-pulping or wet-mills), dry-mills, agronomy and the main coffee sorting plants in Guantanamo province, Cuba's main coffee growing region.

David Lenigas, LGC's Co-Chairman & CEO, commented; "This is an exciting development for LGC Capital and its investment in The Cuban Mountain Coffee Company. Cuba is world famous for its high-grown arabica coffees - their ripening is slowed by Caribbean breezes allowing complex flavours to develop. Once a big export crop, the CMC project aims to help restore the export markets and reputation of Cuba's fine coffees."

About LGC (<http://www.lgc-capital.com>)

LGC has significant investments and joint ventures in international companies with Cuban ties, that are well positioned to grow with the Cuban economy. Sectors include the following: Oil and Gas, Sports Management, Consulting, Travel & Tourism, Events, TV & Film Production, Agricultural, Renewable Energy and Import & Export.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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