LGC Capital Signs Definitive Agreement to Acquire Strategic Interest in Licenced Australian Medical Cannabis Company - Little Green Pharma

- TSX Venture Exchange authorizes LGC to proceed to closing of the transaction, scheduled for Tuesday, October 10, 2017

MONTREAL, Oct. 5, 2017 /CNW/ - LGC Capital Ltd. (TSXV: LG) ("LGC") is pleased to announce that it has entered into a definitive Subscription Agreement with licenced Australian Medical Cannabis company Habi Pharma Pty Ltd of Perth, Australia, doing business as "Little Green Pharma", for the acquisition of a strategic interest in Little Green Pharma, as announced on September 26, 2017. LGC is also pleased to announce that the TSX Venture Exchange has authorized LGC to proceed to the closing of the transaction, which is scheduled to take place on Tuesday, October 10, 2017.

Little Green Pharma is one of the few licenced companies in Australia authorized to cultivate and produce **Medical Cannabis** within **Australia**.

Little Green Pharma (www.lgpharma.com.au) has advised LGC that it plans to commence cultivation and production of one of the first clean locally-grown Medical Cannabis products for use solely within Australia, giving hope and relief to those suffering from certain debilitating illnesses. Little Green Pharma's patented technology aims to control the medicinal cannabis particle size encapsulated in the liposomes to optimise the bio-availability so the cannabinoids are readily absorbed into the bloodstream. This enables the resulting preparation to achieve desired therapeutic results with significantly lower cannabinoid doses, when compared to other forms of medicinal cannabis. Little Green Pharma's patented process significantly reduces production costs, enabling Little Green Pharma to be more competitive in the market.

"The signing of a definitive Subscription Agreement and approval by the TSX Venture Exchange to acquire this strategic initial interest in Little Green Pharma in Australia are truly landmarks for LGC Capital, as we seek to expand the Company's global footprint in the fast-growing legalized medical cannabis industry" John McMullen, LGC's CEO commented. "We are pleased to be given the opportunity to be a key strategic shareholder of Little Green Pharma as it moves towards commercial production in the highly regulated and blue-chip Australian market. We are also very excited about Little Green Pharma's advanced patented technology."

Fleta Solomon, Little Green Pharma's Managing Director, commented; "There is no doubt that LGC Capital is going to be a strong strategic partner as we expand the company and its opportunities."

The details of LGC's agreement to invest in Little Green Pharma are as follows:

1. At closing, LGC will subscribe for 2,161,091 shares of Little Green Pharma, representing an initial 4.99% of its issued and outstanding shares, by paying AUD $432,218 and issuing 5,660,000 LGC common shares to Little Green Pharma at a deemed issue price of $0.11 per share.
2. Subject to the issuance by Little Green Pharma of shares to various third parties, LGC will subscribe for a further 752,937 shares of Little Green Pharma for cash consideration of AUD $150,587, so as to maintain its shareholding of 4.99% in Little Green Pharma.
3. Subject to certain Australian regulatory approvals, which are currently in progress, and subject to approval by Little Green Pharma in its sole discretion, LGC may further subscribe, at its option, for additional shares of Little Green Pharma in order to increase its shareholding to a maximum of 19.03%. In the event that this option is exercised, LGC will subscribe for a maximum of 4,585,972 shares of Little Green Pharma for maximum cash consideration of AUD $917,194.

Note: On October 4, 2017, the Bank of Canada's daily average exchange rate for the Australian dollar was AUD $1.00 = CAD $0.9802.

Closing of the transaction with Little Green Pharma is subject to standard conditions.

About LGC (www.lgc-capital.com)

LGC Capital Ltd. is a Canadian incorporated public company listed on the TSX Venture Exchange (TSXV: LG). LGC's objective is to become a diversified business group with core business divisions that provide shareholders with exposure to a diverse range of businesses, products and services.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to LGC Capital Ltd. ("LGC"), its proposed investment in Little Green Pharma, 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 Little Green Pharma, 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). 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 Little Green Pharma

All information contained in this press release relating to Little Green Pharma has been provided to LGC by Little Green Pharma. 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.

Caution Regarding Press Releases

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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