LGC Capital Receives Conditional Approval for AAA Trichomes Transaction

MONTREAL, Dec. 6, 2017 /CNW Telbec/ - As per previously announced press release on October 31st,**LGC Capital Ltd. (TSXV: LG) ("LGC")** is pleased to announce that the TSX Venture Exchange has conditionally approved LGC's proposed transaction with Québec-based Tricho-Med Corporation (doing business as AAA Trichomes).

LGC wishes to report that its due diligence review of AAA Trichomes has been completed, all major deal points have been agreed upon, and the remaining technical details are being finalized. Closing documentation is being prepared and LGC expects to sign the principal loan documentation with AAA Trichomes in the next few days, which will then be held in trust pending final TSX Venture Exchange approval. In order to obtain final approval for the transaction from the TSX Venture Exchange, LGC must file various documents, which it expects to do within the next few days.

At the closing of the transaction, LGC will subscribe for a convertible debenture of AAA Trichomes in an amount of $4,000,000 (the "Debenture"). The Debenture will bear interest at an annual rate of 10%, have a term of four years and be secured by first-ranking security on all of AAA Trichomes' assets. Upon AAA Trichomes obtaining a licence to cultivate marijuana from the relevant regulatory authorities, the Debenture will convert into common shares of AAA Trichomes, representing 49% of the then-issued and outstanding shares, and a 5% royalty on AAA Trichomes' net sales. In the event that AAA Trichomes does not become a publicly-listed company within twelve months of having obtained the licence, LGC will receive such number of shares so that it owns 54% of the then-issued and outstanding shares of AAA Trichomes, subject to approval by the TSX Venture Exchange.

AAA Trichomes is planning to build a large new cannabis processing facility in the Province of Québec, to be built in three phases. Construction is expected to start within a few weeks of the closing of the transaction with LGC.

John McMullen, CEO of LGC stated, "LGC Capital is a Canadian investment company with a global perspective. We are very pleased to have the opportunity to invest in a Canadian-based company. We are very impressed with the AAA Trichomes management team as they are moving as quickly as possible towards production."

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 2019 with an initial annual production rate of more than 2,500 kilograms reaching a planned production rate of more than 20,000 kilograms by 2021.

About AAA Trichomes

AAA Trichomes 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

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 alliances 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; and with Creso Pharma Limited for the creation of a vertically-integrated cannabis operation, which includes cultivation, IP generation, product development, and commercialization. LGC Capital Ltd. is headquartered in Montreal, 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). 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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