Olive Resource Capital Provides an Update on Black Sheep Ventures Convertible Debenture and Other Investments

28.04.2023 | Newsfile

Toronto, April 28, 2023 - Olive Resource Capital Inc. (TSXV: OC) ("Olive" or the "Company") is pleased to announce that it partially converted and extended the convertible debenture investment it holds in Black Sheep Ventures Inc. ("Black Sheep").

Samuel Pelaez, the Company's President, CEO, CIO and Director, stated: "We are pleased with the progress Black Sheep has made in growing its business and believe that our continued exposure both as a convertible debenture and a large shareholder will add long-term value for Olive shareholders. Management has delivered on the strategic growth plans, and we remain supportive of their initiatives to continue advancing Black Sheep."

BLACK SHEEP VENTURES CONVERTIBLE DEBENTURE UPDATE

Olive has entered into an agreement with Black Sheep to partially convert and extend its convertible debentures. A summary of the transaction is as follows:

- C$200,000 of principal has been converted to shares at C$0.65/share, providing Olive 307,692 shares of Black Sheep;
- Accrued interest of C$91,000 has been converted to shares (as per the prior debenture agreement) at C$0.50/share providing Olive 182,000 shares of Black Sheep;
- A new convertible debenture has been issued to Olive for C$500,000 with an interest rate of 8% (previous debenture 6.5%) and is convertible at C$0.65/share. Interest is payable in cash;
- The new debenture expires April 27, 2025.

Cathy Butler, co-founder of Black Sheep, stated: "We are pleased that Olive has converted $200,000 of their debenture to equity in addition to extending the term for two years on the balance. This is a real vote of confidence by Olive in Black Sheep and our future plans. Olive is an excellent partner, and the principals continue to provide strategic support and ideas."

Based on Black Sheep's last financing of C$1.00 per share, Olive values its combined share position and the convertible debenture at C$1,258,922. This value is unchanged from Olive's March 31, 2023 unaudited NAVPS announcement.

ABOUT BLACK SHEEP VENTURES

Black Sheep was founded in late 2020 by experienced financial and real estate professionals to build a portfolio of cash flow generating real estate assets by acquiring, developing, optimizing, and consolidating self-storage, campgrounds, and mobile home parks. Black Sheep currently owns and operates 4 self-storage facilities with 63,000 sqft. of rentable space and 104 RV parking spaces and two campgrounds with over 200 rentable sites.

For additional information on Black Sheep, please visit their website at: https://blacksheepventures.ca/.

NEWLY UPDATE

On March 31, 2023, The Newly Institute Inc. ("Newly") entered into a definitive agreement, with HEAL Global Holdings Corp ("HEAL") and Pathway Capital Corp ("Pathway") for Pathway to acquire all of the outstanding shares of Newly. As per this agreement, Newly shareholders, including Olive, will receive 4.85 Pathway shares. For the transaction the Pathway shares are being valued at C$0.13/share. Pathway last traded at C$0.05. One of the conditions of the transaction is a best-efforts concurrent financing of $10M, which has not been priced.

Olive holds 480,867 shares of Newly, that it acquired in the CannaIncome Fund ("CiF") transaction. For its March 31, 2023 unaudited NAVPS estimate, Olive assumed a value of $1.00/share, the last financing price for Newly. While the transaction has not closed, we expect to mark down the value of Newly to reflect the transaction and Pathway's current trading price with our April 30, 2023 unaudited NAVPS estimate.

For additional information on the transaction please see Newly's press release:
https://www.newsfilecorp.com/release/160935/The-Newly-Institute-Heal-Global-Holdings-and-Pathway-Health-Enter-int

Use of Non-GAAP Financial Measures:

This press release contains references to NAV or "net asset value per share" which is a non-GAAP financial measure. NAV is calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP financial measure presented in the Company's consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company believes that the measure provides information useful to its shareholders in understanding the Company's performance, and may assist in the evaluation of the Company's business relative to that of its peers. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP, and is not necessarily indicative of other metrics presented in accordance with GAAP. Existing NAV of the Company is not necessarily predictive of the Company's future performance or the NAV of the Company as at any future date.

About Olive Resource Capital Inc. (formerly Norvista Capital Corp):

Olive is a resource-focused merchant bank and investment company with a portfolio of publicly listed and private securities. The Company's assets consist primarily of investments in natural resource companies in all stages of development.

For further information, please contact:

Derek Macpherson, Executive Chairman at derek@olive-resource.com or by phone at (416)294-6713 or Samuel Pelaez, President, CEO & CIO at sam@olive-resource.com or by phone at (202)677-8513. Olive's website is located at www.olive-resource.com.

Cautionary Note Regarding Forward-Looking Statements: This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "believes", "anticipates", "expects", "is expected", "scheduled", "estimates", "pending", "intends", "plans", "forecasts", "targets", or "hopes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "should", "might", "will be taken", or "occur" and similar expressions) are not statements of historical fact and may be forward-looking statements.

This news release includes forward-looking statements that are subject to risks and uncertainties. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that could cause the actual results of Olive to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. All statements contained in this news release, other than statements of historical fact, are to be considered forward-looking. Although Olive believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to: past success or achievement does not guarantee future success; negative investment performance; downward market fluctuations; downward fluctuations in commodity prices and changes in the prices of commodities in general; uncertainties relating to the availability and costs of financing needed in the future; interest rate and exchange rate fluctuations; changes in economic and political conditions that could negatively affect certain commodity prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restriction on labour and international travel and supply chains; and those risks set out in the Company's public documents filed on SEDAR. Accordingly, readers should not place undue reliance on forward-looking information. Olive does not undertake to update any forward-looking information except in accordance with applicable securities laws.

This commentary is provided for general informational purposes only and does not constitute financial, investment, tax, legal or accounting advice nor does it constitute an offer or solicitation to buy or sell any securities referred to. The information provided in this recording has been obtained from sources believed to be reliable and is believed to be accurate at the time of publishing but we do not represent that it is accurate or complete and it should not be relied upon as such.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/164055