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June 26, 2017

Trading Symbol: TCC

TRENCHANT CLOSSES SECOND TRANCHE OF PROSPECTUS FINANCING; TOTAL \$9,710,000 RAISED

June 26, 2017, Toronto, ON - Trenchant Capital Corp. (TSX.V: TCC) (the "Company") is pleased to announce that, further to its news release of May 18, 2017, it has closed the second tranche of its prospectus offering (the "**Debenture Offering**"), pursuant to which it has raised additional gross proceeds of \$1,488,000 through the issuance of 1,488 9% secured convertible debentures (the "**Debentures**") priced at \$1,000 per Debenture. The total gross proceeds of the Debenture Offering are \$7,010,000 and with the previously closed Series A Convertible Preferred Shares Offering total monies raised to date are \$9,710,000. The syndicate for the Debenture Offering is being led by Industrial Alliance Securities Inc. and includes Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Echelon Wealth Partners Inc., Mackie Research Capital Corporation, PI Financial Corp., Hampton Securities Limited, Integral Wealth Securities Limited and Leede Jones Gable Inc. (collectively, the "**Agents**"). The Agents received a cash commission of 6.5% of the gross proceeds of the Debenture Offering. The net proceeds of the Debenture Offering were used to fund the Waiward Investment (as further described below). The Debenture Offering is planned to end on July 20, 2017.

The Debenture Offering

The Debentures issued in both the first and second tranches of the Debenture Offering will mature on March 31, 2022 and the outstanding principal of the Debentures will bear interest (the "**Debenture Interest**") at the rate of 9.0% per annum, payable quarterly in cash. Commencing on May 18, 2018, the outstanding principal amount of the Debentures may be converted, at the option of the holder, into common shares of the Company (each, a "**Common Share**") at a conversion price equal to the greater of: (i) 95% of the volume weighted average trading price of the Common Shares for the 30 trading day period ending three business days before the conversion date, and (ii) \$1.00 per Common Share, provided that, unless the conversion is being effected in connection with a redemption by the Company, no more than 25% of the aggregate principal amount of Debentures held by a holder may be converted in any 180-day period.

The Company may prepay the outstanding principal of the Debentures, and the Debenture Interest thereon, in cash, at any time after May 18, 2019, by paying the Debenture holders

105% of the outstanding principal amount of the Debentures in year three, 103% of the outstanding principal amount of the Debentures in year four, and 101% of the outstanding principal amount of the Debentures in year five, plus any accrued and unpaid Debenture Interest thereon. The Company has pledged all of the outstanding shares of its wholly-owned subsidiary (the “**Lender**”) to the holders of the Debentures as security for the Company’s outstanding obligations under the Debentures. The holders of the Debentures have no recourse to the Company other than with respect to the shares of the Lender. The Company has covenanted to apply to list the Debentures on the TSXV on or before August 16, 2017.

The Waiward Investment

The Company, through the Lender, has made a second advance of \$1,488,000 to the Borrower pursuant to the terms of a loan agreement dated March 2, 2017, as amended (the “**Loan Agreement**”), between the Borrower and the Lender. The Borrower is a limited partnership related to Hillcore. The Company has loaned an aggregate of \$7,010,000 to Waiward Investments Limited Partnership (the “**Borrower**”) under the Loan Agreement (the “**Waiward Investment**”). The Waiward Investment is secured by the Borrower’s indirect equity interest in **Waiward Steel Limited Partnership** (“**Waiward Steel**”), one of Canada’s largest steel fabricators and erectors.

In business for over 40 years, Waiward Steel is an industry-leading provider of construction, engineering and drafting services. Using a multi-disciplinary approach and managing strategic partnerships across Canada, Waiward Steel adds value to projects from conception to completion. Based in Edmonton, Alberta, Waiward Steel operates one of Canada’s largest steel fabrication facilities, with over 200,000 square feet of fabrication space and the ability to produce up to 1,000 tons per week. With over 600 employees, Waiward Steel has been named one of Canada’s Top 50 Best Managed Companies every year since 2005. Waiward Steel serves multiple sectors across Western Canada and around the world. For more details on Waiward Steel’s operations see www.waiward.com.

The outstanding principal of the Waiward Investment bears interest at the rate of 12.5% per annum, with 10% payable quarterly in cash and 2.5% being added quarterly to the outstanding principal of the Waiward Investment and payable on the maturity date of March 31, 2022 (readers should note that the Company’s previous news release dated May 18, 2017 incorrectly stated this date as May 18, 2022). The Borrower has paid the Lender a fee equal to 7% of the Waiward Investment.

The Borrower has also granted the Company a five-year unit purchase option entitling it to purchase up to an aggregate of 3.5% of the Borrower’s indirect holdings in Waiward Steel (including the 2.76% announced in the news release of May 18, 2017), with an escalating exercise price based upon the projected earnings of Waiward Steel.

The Borrower may prepay the outstanding principal of the Waiward Investment, and accrued interest thereon, at any time after May 18, 2019 by paying the Lender 105% of the outstanding principal amount of the Waiward Investment in year three, 103% of the outstanding principal amount of the Waiward Investment in year four, and 101% of the outstanding principal amount of the Waiward Investment in year five, plus any applicable interest thereon.

Hillcore Strategic Alliance

The Company has entered into a strategic alliance with Hillcore that grants the Company rights of first negotiation to provide special situation debt financing to Hillcore’s pipeline of

current and future private equity investments. The Company expects that such financings may include secondary, subordinated, mezzanine or non-traditional debt, asset backed securities and back-leveraged/holdco debt. The Company has also been granted certain back-in and tag along negotiation rights, as well as negotiation rights, for capital market transactions with respect to projects for which the Company has provided financing. HCG5 Investment Limited Partnership (“HCG5”), a limited partnership related to Hillcore, holds approximately 17.3% of the issued and outstanding Common Shares.

MI 61-101 Disclosure

The Waiward Investment constitutes a “related party transaction” as such term is defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), which requires that the Company, in the absence of exemptions, obtain a formal valuation for, and minority shareholder approval of, the related party transaction. The Company is relying on the exemptions in Sections 5.5(e) and 5.7(c) of MI 61-101 as the above transactions have been approved by Eric Boehnke, a director of the Company who is not an interested party to the Advance and who owns 4,955,793 Common Shares, representing 43.0% of the Company’s issued and outstanding Common Shares. The Company did not file a material change report more than 21 days before making the Advance as the Company determined to make the Advance on an expedited basis.

About the Company

The Company aims to become a diversified investment and venture capital firm with a focus on providing special situation debt financing to established companies with a proven track record. The Company expects to benefit from its strategic alliance with Hillcore, a leading independent Canadian investment and advisory firm, that grants the Company rights of first negotiation to provide financing and management services to Hillcore’s pipeline of current and future private equity investments.

About the Hillcore Group

Hillcore is a leading independent Canadian investment and advisory firm that invests predominantly in the life sciences, real estate, seniors living, financial, industrial and energy sectors. With offices in Toronto, Vancouver, Calgary and Montreal, Hillcore employs approximately 2,500 people throughout Canada across its various groups and portfolio companies. Entities under management by Hillcore had an asset value in excess of \$4.4 billion as of December 31, 2015.

ON BEHALF OF THE BOARD

TRENCHANT CAPITAL CORP.

Per: “Eric Boehnke”

Eric Boehnke, CEO

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Neither TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

Disclaimer for Forward-Looking Information

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include statements regarding the proposed business and operations of the Company following completion of the Waiward Investment, the Advance and the Sidecar Loan, and the proposed timing for the application for listing of the Debentures on the TSXV. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors that may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: the Company’s inability to apply to list the Debentures on the TSXV in the time expected or failure to obtain the approval of the TSXV for the listing of the Debentures the Company and Hillcore being unable to agree on terms for the Second Investment; general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; and other risks outside of the Company’s control. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except as required by applicable laws, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.