



Core One Labs Signs Letter of Intent to Sell Certain Assets

Vancouver, British Columbia, Canada – October 30, 2020 – **Core One Labs Inc.** (CSE: COOL), (OTCQX: CLABD), (Frankfurt: LD62, WKN: A2P8K3) (the “**Company**”) is pleased to announce it has entered into a Letter of Intent (the “**LOI**”) with High Tower Capital Inc. (“**High Tower**”) dated effective October 15, 2020 to sell certain assets and subsidiaries to High Tower for CAD\$3,000,000 and the assumption of USD\$4,015,885 in related liabilities. High Tower will also assume all ongoing obligations related to the Assets (as defined below).

Core One has successfully engaged in negotiations to sell off non-core assets of the business, allowing it to focus on entering the psychedelic space and the continued development of its CannaStrip™ technology. The additional capital generated from this sale will be used to further develop the thin strip technologies for use with psilocybin, as well as expanding the newly acquired psychedelic assets. In addition to the money coming in from the sale of the asset, this move also significantly reduces the monthly capital outlays the Company had been paying, resulting in cash to be allocated to strategic initiatives designed at increasing visibility in the psychedelic space.

“Reducing Core One’s capital outlays on non-core assets is essential to repositioning the company in the psychedelic space. I believe the psychedelic space is poised to become the next large pharmaceutical breakthrough in addressing both alcohol and opioid addiction, as well as anxiety and depression. The global market size for the treatment of these conditions is substantial, and the Company is excited to be part of these developments. By adapting our existing technology to become an effective and safe delivery method for psilocybin, Core One has the ability to become a leader in this space,” said Joel Shacker CEO of the company.

Terms of the LOI

In consideration for the acquisition of the Assets, High Tower will complete a series of cash payments to the Company totaling CAD\$3,000,000 (collectively, the “**Consideration Payments**”) and will assume responsibility for all outstanding liabilities and obligations of Rêveur, Core, CSPA, AgroCo, SciCo, AgroLLC and DevCo, (all as defined below) including all ongoing employment obligations and certain additional liabilities of the Company associated with the Assets.

The Assets are comprised of the following:

- a) all of the issued and outstanding share capital of Rêveur Holdings Inc. (“**Rêveur**”), a California corporation, including its principal assets which are all of the issued

and outstanding share capital of Core Isogenics Inc. (“**Core**”), a California corporation, and CSPA Group, Inc. (“**CSPA**”), a California corporation;

- b) all of the issued and outstanding share capital of LDS Agrotech Inc. (“**AgroCo**”), a Nevada corporation, held by the Company which represents seventy-five percent (75%) of the outstanding share capital of AgroCo;
- c) all of the issued and outstanding share capital of LDS Scientific Inc. (“**SciCo**”), a Nevada corporation, held by the Company which represents seventy-five percent (75%) of the outstanding share capital of SciCo;
- d) the membership interest in Agrotech LLC (“**AgroLLC**”), a California limited liability company, held by the Company which represents a fifty percent (50%) membership interest in AgroLLC;
- e) all of the issued and outstanding share capital of LDS Development Corporation (“**DevCo**”), a California corporation, except for all tangible and intangible assets of DevCo related to the manufacturing and distribution of “CannaStrips” including all associated intellectual property and manufacturing equipment (the “**Excluded Assets**”); and
- f) all tangible and intangible assets currently being held by and utilized by Rêveur, Core, CSPA and DevCo, including, without limitation, all existing contracts, leases, client files, client billing records, vendor records, furniture, fixtures, equipment, employee files, employee time records, and other information customary for the cultivation, manufacturing and distribution of cannabis and cannabis related products, but excluding the Excluded Assets

(collectively, the “**Assets**”)

Completion of the sale of the Assets remains subject to a number of conditions, including the satisfactory completion of due diligence, receipt of any required regulatory approvals and the negotiation of definitive documentation. The sale of the Assets cannot be completed until these conditions have been satisfied.

The Company is at arms-length from High Tower, and each of its shareholders. A success fee of CAD\$30,000, payable in common shares of the Company, is expected to be paid to third-party consultant who will be assisting with the Asset sale.

About Core One Labs Inc.

Core One Labs Inc. is a research and technology company with a state-of-the-art cannabis production and packaging facility located in Southern California. The Company's technology produces infused strips (like breath strips) that are not only a safer, healthier option to other forms of delivery but also superior bioavailability of cannabis constituents. The technology provides a new way to accurately meter the dosage and assure the purity of selected product. The Company holds an interest in walk-in medical clinics located in Vancouver and West Vancouver, British Columbia which maintain a database of over 200,000 patients combined. The Company intends to further develop its product offerings through research and development in these clinics, including the integration of intellectual property related to psychedelic treatments and novel drug therapies.

Core One Labs Inc.

Joel Shacker
Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:

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Cautionary Disclaimer Statement:

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to the Company within the meaning of applicable securities laws, including with respect to the completion of the Asset sale to High Tower and statements made about the future plans and prospects of the Company. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. The Company cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among other things: risks and uncertainties relating to the cannabis sector in the United States and the emerging psychedelic sector in Canada and the need to comply with governmental regulations. In addition, marijuana remains a Schedule I drug under the United States Controlled Substances Act of 1970. Although Congress has prohibited the US Justice Department from spending federal funds to interfere with the implementation of state medical marijuana laws, this prohibition must be renewed each year to remain in effect. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.