



Core One Labs Inc.

CSE : COOL

OTCQX : CLABF

Frankfurt: LD6, WKN: A14XHT

Core One Labs Signs Definitive Agreements for Previously Announced \$1.5M Convertible Debt Facility with Cannabis Growth Opportunity Corporation

Vancouver, British Columbia, Canada, March 18, 2020, Core One Labs Inc. (CSE: COOL), (OTCQX: CLABF), (Frankfurt: LD6, WKN: A14XHT) (“COOL” or the “Company”) is pleased to announce that, further to its news release dated February 11, 2020, the Company has signed definitive agreements with respect to a CDN\$1,500,000 convertible debt facility with Cannabis Growth Opportunity Corporation (“CGOC”).

The Company has issued to CGOC a convertible debenture in the principal amount of up to CDN\$1,500,000 (the “Debenture”) and 1,500,000 common share purchase warrants (the “Warrants”). The aggregate principal amount available under the Debenture will be advanced by CGOC to the Company in three equal installments of CDN\$500,000 each. The Debenture will mature on December 31, 2022 (the “Maturity Date”), with interest accruing at a rate of 12% per annum. The amounts advanced under the Debenture will be unsecured until CGOC has advanced the full CDN\$1,500,000 to the Company, upon which the amounts owed under the Debenture will be secured by a general security agreement covering all of the Company’s personal property. The outstanding principal amount under the Debenture, together with any accrued and unpaid interest thereon may be converted into common shares of the Company at a conversion price of \$0.40 per share. The Warrants issued to CGOC are exercisable at a price of \$0.60 per share, expiring on the Maturity Date, and will vest and become exercisable in three equal tranches of 500,000 Warrants each upon CGOC making each \$500,000 advance under the Debenture. The Company may accelerate the expiration date of the Warrants to 30 days after providing written notice to CGOC if the Company’s common shares trade at or above CDN\$1.50 per share for 10 consecutive trading days on the CSE. The Debentures and the Warrants, and any shares issued upon exercise of the conversion rights or purchase rights attached thereto, will be subject to a hold period expiring on July 17, 2020.

In addition to the Debenture and the Warrants, the Company and CGOC also exchanged approximately CDN\$2,000,000 worth of each other’s common shares (the “Share-Swap”), with the Company issuing to CGOC 5,333,333 common shares at an agreed value of \$0.375 per share, and CGOC issuing 3,149,606 common shares to the Company at an agreed value of \$0.635 per share. In connection with the Share-Swap, the Company and CGOC entered into a voting and resale agreement, with each party agreeing to vote the shares acquired from the other under the Share-Swap as recommended by the issuer of the shares, and with each party agreeing not to trade the shares received in the Share-Swap for a period of 18 months. The Company has also agreed that, upon payment of the full amount of the initial advance of \$500,000 under the Debenture, CGOC will have the right to nominate one director to the Company’s board and, if CGOC’s nominee is not appointed or elected to the Company’s board, CGOC will have the right to appoint a board observer.

Brad Eckenweiler, CEO for Core One Labs Inc., commented, “This new relationship with CGOC will open new opportunities for us in both California and Canada. We are very much

looking forward to working with the CGOC team and applying their expertise to our current and future projects.”

About Core One Labs Inc.

Core One Labs Inc. is a technology company that licenses its technology to a state-of-the-art 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. Some strips will also include supplemental co-active ingredients such as nutraceuticals, vitamins and peptides. The technology provides a new way to accurately meter the dosage and assure the purity of selected product. From start to finish, the production process, based on the Company’s technology, tests for quality and composition of all the ingredients used in every strip which results in a delivery system that is safe, consistent and effective. In addition, through its efforts to develop a better CannaStrips™ product, the Company has developed considerable expertise in cannabis extraction and nursery activities. The operational expertise developed by the Company as a result of these efforts has created new market opportunities for the Company in white label sales.

Core One Labs Inc.
Brad Eckenweiler
CEO & Director

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Cautionary Disclaimer Statement:

The Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. 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 several material factors, many of which are beyond the Company’s control. Such factors include, among other things: risks and uncertainties relating to the Company’s limited operating history and the need to comply with environmental and 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.