



Core One Labs Inc.

CSE : COOL

OTCQX : CLABF

Frankfurt: LD6, WKN: A14XHT

Core One Labs Announces Private Placement Financing and Non-Binding Letter of Intent to Acquire Medical Clinics

Vancouver, British Columbia, Canada – June 5, 2020 – **Core One Labs Inc.** (CSE: COOL), (OTCQX: CLABF), (Frankfurt: LD6, WKN: A14XHT) (the “**Company**”) is pleased to announce that it has entered into a non-binding letter of intent (the “**Letter of Intent**”), dated June 4, 2020, with Rejuva Alternative Medicine Research Centre Inc. (“**Rejuva**”) and Shahcor Health Services Inc. (“**Shahcor**”), pursuant to which the Company proposes to acquire all of the outstanding share capital of Rejuva and one-quarter of the outstanding share capital of Shahcor (the “**Transaction**”) .

Rejuva and Shahcor are privately-held companies which operate walk-in medical clinics located in Vancouver and West Vancouver, British Columbia, and maintain a database of over 200,000 patients. The Company intends to further develop its product offerings through research and development in these clinics. The clinics have a large patient base which can be accessed to conduct the research required to further develop the proprietary delivery methods used by the Company. Bioavailability of cannabis constituents in the Company’s CannaStrips™ infused strip allow for more efficient absorption of the active ingredients, reducing the amount of product a patient would need to take. Medical patients who want to receive alternative health treatments can use this less invasive way of treatment to help alleviate their symptoms and complications.

Completion of the Transaction remains subject to a number of conditions, including the satisfactory completion of due diligence, receipt of any required regulatory approvals, the negotiation of definitive documentation, and the Company completing a two-for-one consolidation of its common shares (the “**Consolidation**”). The Transaction cannot be completed until these conditions have been satisfied.

Under the terms of the Letter of Intent, in consideration for all of the outstanding share capital of Rejuva, the Company is expected to issue 23,000,000 post-Consolidation common shares to the existing shareholders of Rejuva. In consideration for one-quarter of the outstanding share capital of Shahcor, the Company is expected to make a one-time cash payment of \$400,000 and to issue 5,555,556 post-Consolidation common shares to the existing shareholders of Shahcor.

The existing shareholders of Shahcor will also be eligible to receive a one-time bonus payment of \$1,000,000 (the “**Bonus Payment**”) in the event Shahcor achieves monthly recurring revenue of at least \$30,000 in the three months following completion of the Transaction. At the election of the Company, the Bonus Payment will be payable in cash, or post-consolidation common shares of the Company, based upon the volume-weighted average closing price of the common shares of the Company on the Canadian Securities Exchange in the ten trading days prior to the issuance of the shares.

The Company is at arms-length from each of Rejuva, Shahcor, and each of their respective shareholders. The Transaction is not expected to constitute a fundamental change for the Company, nor is it expected to result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange.

PRIVATE PLACEMENT

The Company also announces that it will conduct a non-brokered private placement (the “**Financing**”) of up to 42,105,263 pre-Consolidation units (each, a “**Financing Unit**”) at a price of \$0.095 per Financing Unit for gross proceeds of up to \$4,000,000. Each Financing Unit will consist of one pre-Consolidation common share of the Company, and one-half-of-one common share purchase warrant (a “**Warrant**”), with each whole Warrant entitling the holder to acquire one additional pre-Consolidation share at a price of \$0.35 for a period of twenty-four months.

The Company anticipates utilizing the proceeds of the Financing for the evaluation of the Transaction, and other potential strategic acquisitions, and for general working capital purposes.

In connection with completion of the Financing, the Company may pay finders’ fees to eligible parties who have assisted in introducing subscribers to the Company. All securities to be issued in connection with the Financing will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.

Completion of the Financing is not contingent on completion of the Transaction.

This news release does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States. The securities being offered in connection with the Financing have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and such securities may not be offered or sold in the United States or to U.S. Persons unless except pursuant to an effective registration under the U.S. Securities Act and any applicable state securities laws, or pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

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 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 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.