



PROMINEX RESOURCE ANNOUNCES LETTER OF INTENT FOR REVERSE TAKEOVER TRANSACTION WITH GREEN SCIENTIFIC LABS, LLC

TORONTO, ONTARIO, CANADA, April 16, 2021 /EINPresswire.com/ -- Prominex Resource Corp. ("Prominex" or the "Company") is pleased to announce that it has entered into a non-binding letter of intent (the "LOI") dated April 15, 2021 with Green Scientific Labs, LLC ("GSL"), a leading hemp and marijuana testing laboratory, whereby the parties will complete a business combination by way of a reverse takeover of the Company by GSL (the "Transaction"). In connection with the Transaction, the Resulting Issuer (as defined below) will apply to list the common shares of the Resulting Issuer on the Canadian Securities Exchange (the "CSE").

The resulting issuer that will exist upon completion of the Transaction (the "Resulting Issuer") will operate an agricultural laboratory testing business focused on the cannabis industry and is expected to change its name to "Green Scientific Labs Inc." The Transaction is subject to, among other things, the entering into of a binding definitive agreement (the "Definitive Agreement") between the parties setting out the terms and conditions of the Transaction. The final structure of the Transaction will be determined by the parties following receipt of tax, corporate and securities law advice.

In connection with the Transaction, GSL intends to complete a concurrent private placement of to raise aggregate gross proceeds of a minimum of US\$4,000,000 (the "Concurrent Financing").

For purposes of the Transaction, the parties have agreed that the aggregate value of the issued and outstanding common shares of Prominex, including any common shares and/or convertible securities of Prominex issued prior to closing of the Transaction pursuant to (i) a non-brokered private placement of up to C\$250,000 to fund the interim expenses of Prominex and (ii) a shares for debt transaction converting up to C\$500,000 of existing Prominex liabilities into shares of Prominex, to be completed by Prominex prior to closing of the Transaction, but excluding options issued to certain directors, officers, employees and consultants of Prominex having a value of up to US\$75,000 calculated as the delta between the Concurrent Financing price and the exercise price, shall have a deemed value of US\$1,500,000. The parties have further agreed that the aggregate value of the issued and outstanding securities of GSL have a value of US\$58,170,705 after giving effect to the Concurrent Financing in an amount of US\$4,000,000. Accordingly, pursuant to the Transaction, it is currently expected that the shareholders of GSL

will hold approximately 97.49% of the common shares of the Resulting Issuer upon completion of the Transaction, prior to giving effect to any dilution resulting from the options of Prominex referenced above. Subsequent news releases in respect of the Transaction will provide updates in this regard.

GSL and its Business

GSL is a leading hemp and marijuana testing laboratory based in Davie, Florida. GSL tests cannabis and cannabis derived products to ensure product quality and consumer safety. Founded in 2018, GSL is ISO 17025:2017 certified and holds a Certified Marijuana Testing Laboratory (CMTL) license from the Florida Department of Health Office of Medical Marijuana Use.

GSL currently tests for cannabinoid content (potency), terpene content, water activity, moisture content, and pesticides, residual solvents, heavy metals, filth and foreign material, and microbiological contaminants. Utilizing our vast experience in complex testing, we have developed proprietary testing methodologies which has created enhanced detection ability, improved accuracy, and fast turnaround.

Prominex Shareholder Meeting

Prior to, and as a condition of, the closing of the Transaction (the "Closing"), Prominex will call a meeting of its shareholders (the "Prominex Meeting") for the purpose of approving, among other matters:

- a change of name of the Company to "Green Scientific Labs Inc." or such other name as is directed by GSL and acceptable to applicable regulatory authorities effective upon Closing;
- the Consolidation (as defined below);
- a reorganization of the share capital of Prominex, if required in order to meet certain foreign private issuer requirements of the Resulting Issuer as determined by GSL;
- the approval of a new stock option plan to be effective upon Closing;
- the election of a new slate of nominee directors appointed by GSL to form the new board of directors of Resulting Issuer, which slate will be effective upon closing;
- the appointment of a new auditor; and
- if required by governing regulatory bodies and applicable securities and corporate laws, the approval of the Transaction.

The Transaction is an arm's length transaction. Prominex will prepare and file a CSE Form 2A listing statement or other principal disclosure document (the "Listing Statement") with the CSE providing comprehensive disclosure on GSL and the Transaction in connection with the proposed CSE listing.

Management of the Resulting Issuer

Upon closing of the Transaction, all of Prominex's current directors and officers will resign and the directors will be replaced by nominees of GSL approved at the Prominex Meeting and the officers will be replaced by officers appointed by GSL board nominees, all in a manner that complies with the requirements of governing regulatory bodies and applicable securities and corporate laws.

Details of insiders and proposed directors and officers of the Resulting Issuer will be disclosed in a further news release.

Closing Conditions

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- the execution of a definitive agreement;
- completion of satisfactory due diligence by GSL;
- completion by Prominex of a consolidation of its shares on a ratio to be determined (the "Consolidation");
- the conditional approval to the listing of the shares of the Resulting Issuer on the CSE;
- at closing of the Transaction, Prominex having a positive working capital balance, excluding certain agreed upon liabilities; and
- receipt of all required regulatory, corporate and third party approvals, including approvals by the CSE, applicable governmental authorities, and the fulfilment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

Further Information

Further details about the Transaction and the Resulting Issuer will be provided in a comprehensive news release when the parties enter into the definitive agreement.

Investors are cautioned that any information released or received with respect to the Transaction in this press release may not be complete and should not be relied upon. Trading in the common shares of the Company should be considered highly speculative.

The securities to be issued in connection with the Transaction 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 may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S promulgated under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Completion of the Transaction is subject to a number of conditions, including but not limited to, CSE acceptance and requisite shareholder approvals. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or Listing Statement, as applicable, of the Company to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Prominex should be considered highly speculative.

Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

About Prominex Resource Corp.

Prominex Resource Corp. is a mineral exploration company with no current activities or operations.

Cautionary Statements Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities laws relating to the proposal to complete the Transaction and associated transactions. Any such forward-looking statements may be identified by words such as “expects”, “anticipates”, “believes”, “projects”, “plans” and similar expressions (including negative and grammatical variations).

Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, the expected timing and terms of the Transaction, the Concurrent Financing and the size and pricing thereof, the number of securities of Prominex or the Resulting Issuer that may be issued in connection with the Transaction, the ownership ratio of the Resulting Issuer post-closing, the required shareholder approvals or the ability to obtain such approvals, GSL’s strategic plans and the parties’ ability to satisfy closing conditions and receive necessary approvals, are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management’s reasonable assumptions, there can be no assurance that the Transaction will occur or that, if the Transaction does occur, it will be completed on the terms described above. Prominex and GSL assume no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

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