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**KING'S BAY RESOURCES CORP. AGREES TO ACQUIRE CANNABIS INDUSTRY'S
ELICIT LABS, ANNOUNCES CHANGE OF BUSINESS AND FINANCING**

VANCOUVER, BRITISH COLUMBIA – March 29, 2019, - King's Bay Resources Corp. (**King's Bay**" or the "**Company**") (TSXV: KBG) is pleased to announce that it has entered into an arm's length agreement dated March 29, 2019 with Mr. Joshua Stimmel and others to acquire all of the issued and outstanding equity of S&S Company, LLC ("**S&S**"), which owns and operates the licensed S&S California cannabis production and extraction lab, with immediate plans for expansion with high-capacity extraction and distillation under the brand name *Elicit Labs*.

The acquisition of S&S is being done in conjunction with a 5:1 consolidation of King's Bay share capital, a change of King's Bay name, a financing, and changes to King's Bay management (collectively, the "**Proposed Transaction**"). The parties have agreed to cooperate reasonably and in good faith in finalizing the structure of the Proposed Transaction for optimal tax treatment of the parties and for operational purposes. On completion of the Proposed Transaction, S&S will carry on its business as an indirect subsidiary of King's Bay.

Among other closing conditions, the Proposed Transaction is subject to the approval of King's Bay shareholders, which will be sought at a general meeting expected to be scheduled for a date in June 2019 (the "**Meeting**"). King's Bay shares will remain halted until the closing of the Proposed Transaction (the "**Closing**"). Further information respecting the Proposed Transaction will be contained in the management information circular to be prepared by the Company and delivered to its shareholders prior to the Meeting, a copy of which will be filed under the Company's profile at www.sedar.com.

About S&S

S&S Company LLC, under the brand name *Elicit Labs* is an innovative extraction and manufacturing private company doing business in California for over 4 years. Elicit Labs has established new, innovative methods to isolate cannabis compounds and to do so more efficiently, resulting in better, purer quality outputs. This proprietary product is marketed under the brand name "Absolute Crumble". These methods are at the core of the S&S vision of a complete, seed to consumer sales company that leverages its expertise in the development and manufacturing of concentrate products. The Elicit Labs team consists of many industry veterans, experienced executives, and operators. The financial results of S&S for the past 2 years are being audited and will be disclosed in a future news release.

S&S has received a temporary permit for a new 10,000 square foot facility located in Merced, California. The company has completed engineering plans, and construction permits including power upgrades. This new facility is projected to have the capacity to increase historical production capacity from 15,000 grams per month to a potential 150,000 grams per month to meet demand in the state of California and allow the company to expand its proprietary process into additional new concentrate products including; oil cartridges for reusable pens, live resin, wax and distillate, all under the Elicit Labs brand name. These expansion costs are estimated at USD\$750,000 and plans are to start construction once financing is in place from the closing of the Proposed Transaction and the King's Bay Financing discussed below.

According in a report produced by BD Analytics and Arcview Research, "*Concentrates is the fastest-growing big cannabis category, far outpacing flower, topicals, and edibles in terms of sales expansion*". Further the report forecasts "*By 2022, U.S. concentrate product sales are estimated to hit \$8.4 billion and nearly match the \$8.5 billion in flower sales forecasted*".

"We determined that focusing in on the concentrate category within the California market provided our shareholders the best growth opportunity within the cannabis industry. Elicit Labs is an established brand within this high growth category, building upon award winning success of their Absolute Crumble, and expanding their proprietary process into other recreational and medicinal concentrate products", stated Kevin Bottomley, President of King's Bay Resources.

"We have worked closely with King's Bay and their consultants over the last few months, and are pleased to provide an attractive investment opportunity to the public while bringing in the necessary capital to build

and grow our business”, stated Joshua Stimmel, Co-Founder and President of S&S.

Acquisition of S&S

The Proposed Transaction is a Change of Business and a Fundamental Acquisition under TSX Venture Exchange policies. The March 29th agreement between King’s Bay and S&S includes the following terms:

- In conjunction with a 5:1 consolidation of its share capital (the "**King’s Bay Consolidation**"), King’s Bay shall raise funds pursuant to a private placement offering (the "**King’s Bay Financing**"), which on closing will be invested through a King’s Bay subsidiary in the S&S business.
- King’s Bay will reserve an aggregate of up to 23,000,000 common shares of King’s Bay ("**Consideration Shares**") for issuance to the members of S&S upon the exercise of the Redemption-Exchange Right described below and in exchange for all the issued and outstanding securities of S&S. The value of the Consideration Shares for the purpose of the Proposed Transaction is \$0.04 per share. The 23,000,000 shares are expected to represent 46.27% of the total issued and outstanding share capital of King’s Bay after completion of the Proposed Transaction, including the King’s Bay Financing discussed below.

In order to ensure that the S&S members don’t have adverse tax consequences prior to taking possession of their Consideration Shares, King’s Bay’s wholly owned US subsidiary (“SubCo”) which is purchasing S&S will create a new share class non-economic, non-voting Preferred Shares, each of which shares will be convertible into 1000 Consideration Shares.

- Members of S&S shall purchase special voting shares in King’s Bay for a nominal price, each of which shall entitle the holder to exercise 1000 voting rights as compared to a King’s Bay common share. The number of these special voting shares are reduced in the same proportion as the Redemption-Exchange Right is exercised, so that 1000 Consideration Shares are issued whenever 1 SubCo Preferred Share and 1 special voting share are cancelled.

The Consideration Shares may be required to be escrowed pursuant to applicable stock exchange requirements. A finder’s fee of 3,000,000 shares is payable in connection with the acquisition of S&S to an unrelated party.

The Proposed Transaction is expected to close in July, 2019 and is subject to the conditions set out in the purchase agreement between the Company and the S&S Members, including the completion of the King’s Bay Financing (described below), it is also the intention of the parties that King’s Bay delist its common shares from trading on TSX Venture Exchange and list on the Canadian Securities Exchange (“CSE”).

The King’s Bay Financing

Prior to closing the acquisition of S&S, King’s Bay will complete a financing (the "**King’s Bay Financing**") to raise proceeds to fund the operation of the purchased business and its further growth and development, including the capitalization of SubCo and S&S. The King’s Bay Financing shall be in an amount and at a price to be determined by the parties, acting reasonably and having regard to market conditions and the anticipated capital requirements of King’s Bay and its business after Closing. The King’s Bay Financing will be affected by the issuance of King’s Bay common shares or shares and warrants. Finder’s fees may be payable in connection with the King’s Bay Financing.

The common shares of King’s Bay issued pursuant to the King’s Bay Financing will be subject to resale hold periods under applicable Canadian and United States securities laws.

New Management

On Closing, the existing board and management of King’s Bay shall resign, and subject to their acceptability to the CSE, the board of directors of King’s Bay shall include four of Joshua Stimmel, Joshua Hartsel, Tage Stimmel, David Hwang and other persons to be determined prior to Closing. Joshua

Stimmel shall also serve as the Company's President and Chief Executive Officer. Current directors of King's Bay will be entitled to nominate one director to the board on behalf of current King's Bay shareholders.

Joshua Stimmel is the lead force behind the business development, strategic partnerships, team building, and organizational structure of S&S Company LLC, and Elicit Labs. He is a seasoned expert in organic land management and the commercial operation of sustainable outdoor and mixed light cultivation and retail dispensaries with a focus on original heritage strains alongside the newest, best-in-class genetics available and hemp cultivation. An experienced cultivator of twelve years, he has nurtured key industry relationships and assembled a powerful team capable of propelling it to be the most innovative, respected and competitive vertically integrated cannabis company in California.

Tage Stimmel is the Chief Operating Officer for S & S Company, LLC. She is a seasoned operation manager with 20 years in Food and Beverage Management. She has a BS in Business Administration with focus in Entrepreneurship and General Management from Sacramento State University. Tage also has over 18 years of cannabis experience including managing trimming employees for outdoor harvests and cultivating indoor cannabis. Starting in 2014 Tage worked as the Chief Executive Officer for Golden Hills Collective, the Prop 215 legal medical cannabis business which sold concentrate products under the brand 'Elicit Labs'.

Mr. David Hwang is classically trained as a physicist. Recruited by Bell Labs immediately after graduation, Mr. Hwang has had an eclectic career including- Hedge Fund Quant, Management Consultant, and Angel Investor. In 2013, Mr. Hwang set out to build his domain expertise in Cannabis and has now extensive experience assisting Cannabis business with business process optimization, demand planning and logistics. Mr. Hwang will assist the company in designing and building out best of breed information technology solutions that maximize yield and efficiency.

Joshua Hartsel is S & S's CEO and is the Co-Founder of Delta-9 Technologies & Blue Sky Processing. Dr. Joshua Hartsel has pioneered large scale extraction techniques for many leading companies in the space (Privateer Holdings, CV Sciences, Ananda Hemp, and Speakeasy) for the past decade. As a scientist, first and foremost, Dr. Hartsel is a leading authority on cannabis chemistry. As the Director of R&D at CV Sciences, his large-scale extraction expertise earned six High-Times Cannabis Cup awards for concentrates, pioneering the crystallization of CBD. Over his career he has co-authored several peer-reviewed journals, two book chapters on cannabinoids and terpenes (Nutraceuticals – Efficacy, Safety, and Toxicity as well as Cannabis in Veterinary Medicine), and served as an inventor on key patent applications.

Name Change

In conjunction with the King's Bay Consolidation, the Company intends to change its name from "King's Bay Resources Corp." to "Merced Holdings Corp." or such other name as may be selected by the King's Bay board of directors.

For further information please contact:

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This news release contains "forward looking statements" within the meaning of applicable Canadian securities legislation. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward looking statements in this press release include that we can complete our acquisition of S&S; that S&S can become a complete, seed to consumer sales company that leverages its expertise in the development and manufacturing of concentrate products; that S&S's new facility is projected to increase historical production capacity from

15,000 grams per month to 150,000 grams per month and allow the company to expand its proprietary process into additional new concentrate products including; oil cartridges for reusable pens, live resin, wax and distillate; that these expansion costs will be USD\$750,000; our intended timing to hold the Shareholders' Meeting and to close the S&S Transaction; that we can raise the King's Bay Financing; that King's Bay can list its shares on the CSE; and that we close the S&S Transaction and continue its business going forward. Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual financial results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward looking statements and the forward looking statements are not guarantees of future performance. King's Bay's ability to complete the Proposed Transaction and successfully conduct the business currently conducted by the Purchased Companies is subject to a number of conditions, any of which are outside of King's Bay control; including that the King's Bay Financing is not attractive to investors for any reason; that regulators or other factors slow down our intended timing; that S&S can't increase production because of lack of facilities, lack of market, lack of funds or other reasons; expansion costs may increase dramatically or have been underestimated for the size and scope of the expansion; our proposed management may not be acceptable to regulators; and that we may not be accepted for listing on a stock exchange. A fuller description of the risks associated with King's Bay business on completion of the Proposed Transaction will be set out in the "Risk Factors" section of the management information circular to be delivered to King's Bay shareholders in connection with the Meeting, which circular will be posted under the Company's profile at www.sedar.com. King's Bay disclaims any obligation to update or revise any forward looking statements, whether as a result of new information, events or otherwise, except as required by law.