Pivot Pharmaceuticals Inc. To Spin Out Non-U.S. Assets to Unlock Shareholder Value
Knol Resources Corp. signs Letter of Intent with Pivot to Form New Canadian-based Cannabis Company

VANCOUVER, BC - (October 15, 2018) – Pivot Pharmaceuticals Inc. (CSE: PVOT / OTCQB: PVOTF / FRA: NPAT) ("**Pivot**") and Knol Resources Corp. (TSX-V: NOL.H) ("**Knol**") are pleased to announce the execution of a Letter of Intent for the Reverse Takeover of Knol pursuant to which Pivot will spin out to Knol its non-U.S. cannabis assets, thereby unlocking the underlying value of Pivot's global assets (the "**Spin Out Transaction**" or the "**Transaction**").

Highlights

- **Pivot and Knol sign Letter of Intent for Reverse Takeover of Knol by the shareholders of Pivot;**
- **Pivot's Non-U.S. assets to be transferred to Knol;**
- **Knol's current cash balance is $3.5 million;**
- **Current Pivot shareholders to receive shares and warrants in Knol on a pro-rata basis;**
- **Pivot and Knol will both have rights to all intellectual property, formulations and products;**
- **Definitive Agreement to be executed by November 30th, 2018;**
- **Knol will consolidate its common shares on a 7:1 basis prior to the closing of the Transaction;**
- **Knol will change its name to a name to be agreed upon by Pivot and Knol;**
- **One of the five directors of Knol after closing of the Transaction (the "Resulting Issuer") will be nominated by current Knol management;**
- **Closing of the Transaction subject to TSXV and Pivot and Knol shareholder approvals; and**
- **Knol to complete a private placement of between $3 million and $6 million (the "Concurrent Private Placement") no later than concurrently with the closing of the Transaction.**

Michael Atkinson, President and Chief Executive Officer of Knol, stated "Knol looks forward to helping bring Pivot's industry leading catalogue of patented bio-cannabis products to consumers in Canada, Latin America, Asia-Pacific and the E.U. With a proven management team from the pharmaceutical industry and key proprietary intellectual property and products, Knol is confident that our shareholders will benefit greatly by the Transaction."

Dr. Patrick Frankham, CEO of Pivot stated, "We hope to unlock significant value for our existing shareholders through the Spin Out Transaction. With the reverse takeover of Knol, we are creating an additional company for our shareholders that will contain our Canadian and other non-U.S. assets. The Transaction will also bring added visibility to our premium, science-based business model, and the potential to attract institutional investors that are currently unable to purchase stock on the Canadian Securities Exchange (the "**CSE**") or purchase companies holding U.S. assets."

Dr. Frankham continued, "Our CSE and OTCQB listed entity, Pivot Pharmaceuticals Inc., will continue to focus on supporting its wholly-owned U.S. subsidiary, Pivot Naturals LLC., as it prepares to commercialize our bio-cannabis product line in California and Nevada. Our manufacturing facility located in Costa Mesa, California will soon be licensed and operational and we look forward to rapidly increasing revenues, developing further strategic partnerships and pursuing expansion across the U.S. Following the closing of the

Transaction, Knol will focus on developing and commercializing Pivot's extensive catalogue of bio-cannabis products in Canada, EU, Latin America and Asia-Pacific. Upon receipt of a Dealer's License from Health Canada, Knol will manufacture products in our current GMP facility located in Montreal and export to all non-U.S. markets, where regulations permit."

Cannabis is legalized in several U.S. states but still illegal at the federal level, which is the main reason why companies such as Pivot are advised to place their U.S. assets into a separate company. Upon completion of the Transaction, Knol will be poised to acquire additional cannabis industry assets and attract a broader range of investors.

Description of the Terms of the Transaction

Under the Transaction, Pivot would transfer to Knol all of the assets and related liabilities comprising all of Pivot's non-US cannabis operations, including all related intellectual property rights held by Pivot, (the "**Non-US Assets**") in consideration for which the shareholders of Pivot (the "**Pivot Shareholders**") would acquire a controlling interest in the Resulting Issuer.

Subject to further due diligence, it is contemplated that the Transaction will be accomplished by way of a statutory plan of arrangement under the provisions of section 288 of the *Business Corporations Act* (British Columbia) pursuant to which Pivot would transfer the Non-US Assets to a wholly-owned subsidiary ("**Non-USco**") and issue special shares (the "**Special Shares**") to its shareholders.

The Pivot Shareholders would in turn transfer the Special Shares received by them to Knol in exchange for common shares ("**Knol Shares**") and common share purchase warrants ("**Warrants**") of Knol (the "**Share Exchange**"). Following the Share Exchange, the Special Shares would be redeemed by Pivot in exchange for common shares of Non-USco, thereby making Non-USco a wholly-owned subsidiary of Knol.

Pivot currently has outstanding indebtedness of approximately $5.0 million owing pursuant to a convertible debenture which is secured against all of the assets of Pivot. Pivot will use its commercially reasonable efforts to eliminate this indebtedness and the related security prior to the redemption of the Special Shares. However, should it remain in place at the time of the redemption, Knol and Pivot have agreed that Non-USco will assume a portion of this indebtedness not to exceed the lesser of approximately $2.5 million and one-half of the outstanding principal amount of the debentures (the "**Indebtedness**") which will be secured by the Non-US Assets, with the balance of the Indebtedness being retained by Pivot (together with the corresponding security). Should, for any reason, it be determined at any time following the signing of the Definitive Agreement and prior to the mailing of the proxy circular in respect of the special meeting of the shareholders of Knol (the "**Knol Shareholders**") to be called in order to obtain their approval of the Transaction, that the principal amount of the Indebtedness to be assumed by Non-USco at the time of redemption will exceed the amount referenced above, either Knol or Pivot would be entitled to terminate the Transaction by way of written notice, upon which Pivot would pay to Knol an amount equal to the lesser of (i) the legal fees and other costs incurred by Knol in pursuing the Transaction and (ii) $50,000. The exchange ratio for the Special Shares will be adjusted, as described below, based on the amount of the Indebtedness assumed by the Resulting Issuer.

Trading in the common shares of Knol will remain halted pending the satisfaction of all applicable requirements of the TSX Venture Exchange (the "**TSXV**"). There can be no assurance that trading in the common shares of Knol will resume prior to the completion of the Transaction.

Knol Consolidation

In connection with the Transaction, Knol will consolidate its common shares on a 7:1 basis immediately prior to the Share Exchange (the "**Consolidation**") and change its name to a name to be agreed upon by the parties (the "**Name Change**").

Share Breakdown

Should Non-USco not retain any of the Indebtedness upon closing of the Transaction, an aggregate of approximately: (i) 35,000,000 post-Consolidation Knol Shares (the "**Payment Shares**"), at a deemed issue price of $0.50 per Payment Share, and (ii) 12,000,000 Warrants will be issued by Knol to the Pivot Shareholders in consideration of the acquisition of all of the issued and outstanding Special Shares. It is intended that each Warrant will entitle its holder to acquire one additional post-Consolidation Knol Share at a price of $0.75 per share for a period of 24 months.

Alternatively, should Non-USco retain a portion of the Indebtedness upon closing of the Transaction, assuming that the portion retained is equal to $2,500,000 (the "**Maximum Indebtedness**"), an aggregate of approximately: (i) 30,000,000 Payment Shares, and (ii) 10,285,714 Warrants will be issued by Knol to the Pivot Shareholders in consideration of the acquisition of all of the issued and outstanding Special Shares.

Below is the anticipated approximate share ownership of the Resulting Issuer before and after giving effect to the Consolidation, the Transaction and the assumption by Non-USco of the Maximum Indebtedness, but without giving effect to the Concurrent Private Placement.

Pre-Transaction, Pre-Consolidation				
	Knol Shares	***Knol Warrants***	***Knol Options***	***Percentage Undiluted/ / Fully-Diluted***
Current shareholders of Knol	55,696,470	50,000,000	2,000,000	100% / 100%
Pre-Transaction, Post-Consolidation				
	Knol Shares	***Knol Warrants***	***Knol Options***	***Percentage Undiluted/ / Fully-Diluted***
Current shareholders of Knol	7,956,638	7,142,857	285,714	100% / 100%

Post-Transaction, Post-Consolidation, No Indebtedness Assumed				
	Knol Shares	***Knol Warrants***	***Knol Options***	***Percentage Undiluted/ / Fully-Diluted***
Current shareholders of Knol	7,956,638	7,142,857	285,714	18.52% / 24.66%
Pivot Shareholders[1]	35,000,000	12,000,000	0	81.48% / 75.34
Total:	**42,956,638**	**19,142,857**	**285,714**	
Note 1: *Appropriate adjustments will be made to the conversion terms of Pivot's outstanding convertible debentures.*				

Post-Transaction, Post-Consolidation, Maximum Indebtedness Assumed				
	Knol Shares	***Knol Warrants***	***Knol Options***	***Percentage Undiluted/ / Fully-Diluted***
Current shareholders of Knol	7,956,638	7,142,857	285,714	20.96% / 26.91%
Pivot Shareholders[2]	30,000,000	10,285,714	0	79.04% / 73.09%
Total:	**37,956,638**	**17,942,857**	**285,714**	
Note 2: *Appropriate adjustments will be made to the conversion terms of Pivot's outstanding convertible debentures.*				

Below is the anticipated approximate number of securities of the Resulting Issuer that a Pivot Shareholder holding 10,000 common shares in the capital of Pivot would receive as a result of the Share Exchange upon completion of the Transaction, both before and after giving effect to the assumption by Non-USco of the Maximum Indebtedness, but without giving effect to the Concurrent Private Placement. A Pivot Shareholder holding 10,000 common shares in the capital of Pivot pre-Transaction will continue to hold 10,000 common shares of Pivot post-Transaction.

Post-Transaction, Post-Consolidation, No Indebtedness Assumed		
	Knol Shares	***Knol Warrants***
Pivot Shareholder holding 10,000 common shares in the capital of Pivot[3]	3,946	1,353
Note 3: *Appropriate adjustments will be made to the conversion terms of Pivot's outstanding convertible debentures.*		

Post-Transaction, Post-Consolidation, Maximum Indebtedness Assumed		
	Knol Shares	***Knol Warrants***
Pivot Shareholder holding 10,000 common shares in the capital of Pivot[4]	3,382	1,220
Note 4: *Appropriate adjustments will be made to the conversion terms of Pivot's outstanding convertible debentures.*		

Concurrent Private Placement

It is contemplated that the Concurrent Private Placement will close by no later than the closing of the Transaction, pursuant to which Knol will raise between $3.0 million and $6.0 million in gross proceeds. The Concurrent Private Placement will dilute all of the shareholders of the Knol on a post-closing basis, and will not affect the exchange ratio for the Transaction. The Concurrent Private Placement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSXV. The Concurrent Private Placement will provide funding for the development of Knol's intended business post-Transaction and for general corporate purposes.

Management of the Resulting Issuer

Following completion of the Transaction and until the next annual meeting of the shareholders of the Resulting Issuer, Knol management will be entitled to nominate one of the five directors of the Resulting Issuer. It is anticipated that the management team of the Resulting Issuer will be comprised of certain members of the management team of Pivot involved exclusively with Pivot's non-U.S. operations, who will transfer their employment from Pivot to the Resulting Issuer.

Required Approvals

The execution of the Definitive Agreement and the closing of the Transaction will be subject to the receipt of all necessary approvals and consents required of third parties and of any regulatory or governmental authorities on terms and conditions satisfactory to Knol and Pivot, acting reasonably, including, without limitation:

(a) approval of the Transaction by the Board of Directors of Knol, including confirmation of the satisfactory completion of Knol's due diligence review of Pivot;

(b) approval of the Transaction by the Board of Directors of Pivot, including confirmation of the satisfactory completion of Pivot's due diligence review of Knol;

(c) approval of the Pivot Shareholders, to be obtained at a special meeting of shareholders, with respect to the Plan of Arrangement;

(d) approval of the Knol Shareholders, to be obtained at a special meeting of shareholders, with respect to the Consolidation, the Name Change, the creation of a new "Control Person" as defined in the policies of the TSXV and the completion of the reverse take-over under the policies of the TSXV;

(e) approval of the TSXV;

(g) approval of the British Columbia court with respect to the Plan of Arrangement; and

(h) approval of the holders of the outstanding convertible debentures of Pivot on terms and conditions satisfactory to Knol.

Break Fee

The Definitive Agreement will provide for a reciprocal break fee in the amount of $350,000 should the approval of the Knol Shareholders or of the Pivot Shareholders contemplated above not be obtained.

Exclusivity

Pivot and Knol have agreed that during the period ending on November 30, 2018, being the outside date by which the parties have agreed to execute the Definitive Agreement, neither of them will, directly or indirectly, (i) solicit, initiate or encourage submission of any proposal or offer from any person relating to any acquisition of its capital stock or business, or all or a material portion of its assets, or other similar transaction or business combination involving its business or any other transaction that would have the effect of preventing it from completing the Transaction; or (ii) participate in any negotiations or discussions regarding, furnish to any other person any information with respect to, or otherwise cooperate in any way with or assist or participate in, or facilitate or encourage any effort or attempt by any other person to do or seek, such acquisition or other transaction, and to inform the other of any such inquiry.

About Knol Resources Corp.

Knol Resources Inc. is a publicly-traded junior company seeking investment opportunities. Knol Resources Corp.'s shares have traded on the NEX under the symbol "NOL.H" since April 17, 2014.

About Pivot Pharmaceuticals Inc.

Pivot Pharmaceuticals Inc. is a biopharmaceutical company engaged in the development and commercialization of therapeutic pharmaceuticals and nutraceuticals using innovative drug delivery platform technologies. Pivot's wholly-owned medical cannabis products division, Pivot Green Stream Health Solutions Inc. ("PGS" or "Pivot Green Stream"), conducts research, development and commercialization of cannabinoid-based nutraceuticals and pharmaceuticals. Pivot's wholly-owned U.S. subsidiary, Pivot Naturals, LLC, based in Costa Mesa, California, will manufacture and supply finished powderized cannabis products such as food additives, capsules, bulk powder and stick packs to the California market. PGS has acquired "RTIC" Ready-To-Infuse Cannabis oil-to-powder technology and Thrudermic Transdermal Nanotechnology (transdermal); acquired worldwide rights to BiPhasix™ Dermal Drug Delivery platform technology (topical), Solmic Solubilisation technology (oral), and Solumer™ Oral Drug Delivery technology; and an option to acquire worldwide rights to TriVair™ Nasal and Pulmonary Breath-Propelled Drug Delivery Systems™ for the delivery and commercialization of cannabinoid, cannabidiol (CBD), and tetrahydrocannabinol (THC)-based products. For more information please visit www.PivotPharma.com

Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the terms and completion of the Transaction are forward-looking statements. By their nature, forward-looking *statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: failure to satisfy all conditions precedent to the Transaction, including shareholder approval and the approval of the TSXV, failure to complete the Concurrent Private Placement, and the risks associated with operating in the cannabis fields, including those related to the legality, efficacy and social acceptance of cannabis. Forward looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the respective companies undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.*

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. 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 filing statement 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 Knol should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release. Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

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