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Red Oak Announces LOI to Acquire 100% of CB Holding Group Corp., a Company Entering Into the Cannabis Vaporizer Distribution Market

VANCOUVER, BRITISH COLUMBIA-- July 13, 2018 – **RED OAK MINING CORP.** (TSX.V: ROC.H) (the “**Corporation**” or “**Red Oak**”) is pleased to announce that it has entered into a Letter of Intent (“**LOI**”) dated July 12, 2018 with CB Holding Group Corp. (“**CBH**”). CBH is a Nevada corporation, that will operate a vaporizer pen distribution and sale business through a wholly owned California subsidiary (the “**California Subsidiary**”), with an Exclusive Distribution Agreement in the State of California, and through a wholly owned Nevada subsidiary, (the “**Nevada Subsidiary**”) with an Exclusive Distribution Agreement in the State of Nevada, allowing for the distribution and sale of vaporizers. Red Oak and CBH plan to enter into a definitive Share Exchange Agreement (the “**Definitive Agreement**”) whereby all outstanding securities of CBH will be exchanged for securities of Red Oak (the “**Transaction**”), which will constitute a reverse takeover by CBH and a change of business of the Corporation from mining to the production and sale of vaporizers for cannabis and CBD. The final structure of the Definitive Agreement is subject to applicable corporate, securities and tax considerations. The Transaction is an arm’s length transaction.

On closing of the Transaction, it is anticipated that Red Oak will carry on with sale of CBH’s vaporizer pens. In connection with the completion of the Transaction, the Corporation intends to delist its securities from the TSX Venture Exchange (the “**TSXV**”) and seek listing of the same on the Canadian Securities Exchange (the “**CSE**”). Red Oak plans to change its name on closing of the Transaction. All dollar amounts are in Canadian unless otherwise specified.

About CB Holding Group Corp.

CBH is a Nevada corporation. CBH’s business on closing of the Transaction will focus on the design, formulation, infusion through proprietary process and sale of vaporizer pens in California, through the California Subsidiary. Subsequent to the development of CBH’s California operations, it will also engage in a similar business in Nevada through the Nevada Subsidiary.

CBH is a special purpose vehicle formed on June 29, 2018 for the purpose of effecting the Transaction. CBH’s business in California was operated by CBH’s affiliate Caesarbrutus California, LLC (“**Caesarbrutus**”) pursuant to an Exclusive Distribution Agreement to sell vaporizer pens in California from Goodness 4 Life, LLC (“**Goodness 4 Life**”). Goodness 4 Life and Caesarbrutus have cancelled their agreement and as of July 1, 2018, it has been replaced with an identical Exclusive Distribution Agreement between Goodness 4 Life and CBH’s California Subsidiary. In consideration of being granted the exclusive rights and license to distribute and sell the vaporizers, the California Subsidiary has agreed to pay a 2% royalty on net profits to Goodness 4 Life. It has been represented that Goodness 4 Life is the holder of all city

and state licenses required in California for an entity to distribute and sell vaporizer pens infused with cannabis extracts. CBH will act as the fulfiller of the orders, with Goodness 4 Life picking up the pens from a licensed laboratory for delivery directly to the buyers. In connection with the Transaction, CBH will then carry on the business formerly being carried on by the Caesarbrutus through CBH's California Subsidiary.

Caesarbrutus has recently processed purchase orders for 225,000 vaporizer units for distributor pick-up in August. Purchase orders from distributors continue to be received by CBH. The Company intends to enter the Nevada market through a similar structure that will also be subject to a 2% royalty on net profits.

About Caesarbrutus California, LLC

Caesarbrutus California, LLC was established in June 2017 by members of the former management team of Grenco Science, LLC (“**Grenco**”), a leader in vaping technology and founders of the well-known G Pen product lines. Caesarbrutus conducts various cannabis related businesses and the business rationale for this proposed Transaction is to take Caesarbrutus' vaporizer business public.

Since inception in June 2017, Caesarbrutus has generated approximately US\$17,500,000 in revenues (excluding the 225,000 unit order for August delivery), with a gross margin of approximately US\$4,000,000 from the sale of two separate vaporizer brands in the State of California (based on unaudited financial statements provided to Red Oak).

The two vaporizer brands include Social Supreme and SoFloGrow. Both brands use a proprietary infusion process, including organic terpenes for smooth flavors to produce an incredibly smooth draw combined with discreetness. The Corporation believes annual revenues will increasingly grow given the demand for vaporizers as they remove many of the risks of smoking. In addition cannabis consumers are continually transitioning to the use of vaporizers given their many perceived benefits. Upon completion of the Transaction it is anticipated that Red Oak's current management will resign and that CBH and Red Oak will appoint representatives with the requisite experience to manage the issuer existing on the completion of the Transaction (the “**Resulting Issuer**”) in order to satisfy the requirements of the CSE. Additionally, upon completion of the Transaction, the board of directors of the Resulting Issuer will be comprised of 1 nominee from Red Oak and 4 from CBH.

Strategic Partnership with Crockett Family Farms, Award Winning Breeder and Grower

Dave Crockett is currently CEO of Crockett Family Farms, a 3rd generation family run farming business with high regard both in the US and Internationally. Mr. Crockett is a proposed director of the Resulting Issuer. Crockett Family Farms is working closely with the California and Nevada Subsidiaries, to jointly design and offer new cannabis products.

Mr. Crockett is one of the world's most successful and respected cannabis breeders. Originally hailing from California's Sierra Nevada mountains, he is a third-generation cannabis farmer with a talent for developing deliciously fruity phenotypes, most notably his best-selling Strawberry Banana, and his citrusy breakout strain Tangie, which early on earned him the nickname "Tangie Man."

With the support of industry giant's DNA Genetics, who he partnered with in 2010, Crockett's Tangie strain won over 20 awards in two years transforming the humble farmer into a full-fledged "pot star" practically overnight. So much so that in 2012 Crockett went solo, founding his own genetics company, Crockett Family Farms. Based out of California's Central Coast region, Crockett Family Farms (which, as the name suggests, is family owned and run) has produced some of the finest quality flowers and seeds in the nation, earning them induction into High Times magazine's prestigious Seedbank Hall of Fame in 2017. In fact, over the past several years, their genetics have won over 100 different awards from nearly every major cannabis competition in the world and are currently carried in around half of all the dispensaries in California.

Recently named one of High Times' 100 Most Influential People in Cannabis, Mr. Crockett and his team have built and managed gardens of every shape, scale, and scope from multi-million dollar high-tech indoor operations to bare-bones greenhouse grows. Whether through his own brand or under the umbrella of DAD Consultancy (a new joint venture with his old DNA partners), Mr. Crockett offers advice and assistance to cannabis companies, brands and growers everywhere (including Loudpack Farms, among others) that allows them to take their businesses to the next level. Grower, breeder, consultant, and even hydroponic store owner, Mr. Crockett is an award-winning agricultural entrepreneur with the knowledge, experience, and vision needed to thrive in the ever-expanding and evolving legal cannabis industry.

Potential Vertical Integration

CBH is currently examining ways to reduce unit production costs to increase profitability. Cannabis oil cartridges for vaporizer units are currently sourced from third parties in the State of California. CBH is currently examining other sublicense agreements where it would be eligible to source third party trim to produce cannabis oil to achieve vertical integration. It is predicted this vertical integration strategy could cut current unit production costs in half, resulting in higher potential profitability.

Proposed Directors and Officers of Resulting Issuer

It is proposed that the following individuals will be appointed as directors and officers of the Resulting Issuer, in addition to a minimum of two additional directors:

Mary Hayca Bunevacz, *Executive Chairman, Board of Directors*

Ms. Bunevacz is currently Chief Operating Officer of Caesarbrutus California, LLC. Prior to joining Caesarbrutus, she had been in the vaporizer industry since 2008 beginning with electronic cigarettes to cannabis vaporizers. In 2012, she became Director of Operations for Grenco Science, the company that brought the famous G Pen vaporizer to the public. She led day to day operations of the company, as well as developed and maintained relationships with distributors, retailers and manufacturers both locally and in China. Ms. Bunevacz holds a Bachelor's degree in Global Studies, from University of California Santa Barbara.

Jaitegh Singh, *CEO & Director*

Mr. Singh is currently CEO of Caesarbrutus and manages all aspects of the business at an enterprise level. Professionally, he is an attorney licensed to practice in Florida, New Jersey, New York, Colorado, and the US District Courts. Prior to joining Caesarbrutus, he gained valuable experience in acquisitions and dispositions in a wide range of industries, including those that are highly regulated, such as the legal cannabis industry. A key component of his success is his broad understanding of the corporate governance aspects of cannabis related transactions. Mr. Singh is known for helping take one of the first American based cannabis companies public on the US markets. He has helped take numerous companies public in the past 5 years. Jaitegh holds a Doctorate degree from Shepard Broad Law Center along with Post-Doctorate Education from the University of Mississippi and the University of Cambridge.

David Crockett, *Director*

Mr. Crockett is currently CEO of Crockett Family Farms, a 3rd generation family run farm with high regard both in the US and internationally. Crockett Farms is based on both achieving higher quality and reliable genetics and superior medicine for patients as well as acting as connoisseurs through the sale of its intellectual property protected strains.

Financial Information of CBH

CBH was incorporated on June 29, 2018 and is preparing its audited financial information which will be disclosed once completed in an updated news release. CBH intends to obtain and file carve out financial information for the predecessor vaporizer business carried on by Caesarbrutus California, LLC.

Share Exchange Transaction

On closing of the Transaction, Red Oak expects to issue to the shareholders of CBH a total of approximately 67,334,902 common shares in exchange for 100% of the outstanding shares of CBH, prior to the financings described below.

The completion of the Transaction is subject to a number of conditions, including but not limited to, the execution of the Definitive Agreement, completion of satisfactory due diligence including the delivery and satisfactory review of the audited financial statements of CBH and the audited

carve out financial statements from Caesarbrutus, completion of the Offering (as defined below), completion of the name change, approval of the listing of Red Oak's securities on the CSE and approval to delist the same from the TSXV, and the approval of the Transaction by each of the TSXV, CSE and the board of directors and shareholders of each of Red Oak and CBH (if and as applicable). The LOI contains customary deal support provisions, including a break fee of US\$750,000 payable by CBH to Red Oak if the proposed Transaction is not completed in certain circumstances. In addition the LOI contains mutual customary exclusivity and non-solicitation covenants that expire October 30, 2018.

Red Oak Working Capital Financing

In connection with the Transaction, Red Oak announces a "part and parcel" private placement in the amount of \$300,000 (the "**1st Placement**"). It is intended that the Offering will consist of the issuance of up to 1,000,000 Red Oak units (each a "**Unit**") at a price of \$.30 per Unit for gross proceeds of up to \$300,000. Each Unit will be comprised of one common share of the Corporation and one full common share purchase warrant (each whole warrant a "**Warrant**"). Each Warrant will entitle the holder to acquire one additional common share of the Corporation at an exercise price of \$.50 for a period of three years.

Red Oak intends to use the proceeds of the 1st Placement to fund the costs of the Transaction and for general working capital. Any securities issued in connection with the 1st Placement will be issued by private placement under securities exemptions and will be subject to a four month and one day statutory hold period pursuant to applicable securities laws. The Corporation will not issue a prospectus with respect to the 1st Placement.

Bridge Financing

Prior to and/or concurrent with the completion of the Proposed Transaction, CBH will use its best efforts to complete a private placement (the "**CBH Placement**") of (i) Secured Notes bearing an annual interest rate of 15% interest paid quarterly in arrears (the "**Notes**") and (ii) a minimum 60% warrant coverage exercisable into shares of CBH (the "**Warrants**"), for maximum gross proceeds of up to \$3,250,000. Upon closing of the Transaction, Red Oak proposes to repay the Notes using the proceeds of the Transaction Financing (defined below), and all Warrants issued in connection with the CBH Placement will automatically be exchanged for warrants of Red Oak exercisable to acquire shares of the Resulting Issuer at an exercise price of between \$0.35 and \$0.40 for a minimum period of three years.

Concurrent Transaction Financing

In connection with the closing of the Transaction, Red Oak intends to complete a brokered private placement in the range of \$10,000,000 to \$15,000,000 on terms to be negotiated between Red Oak, CBH and the agent (the "**Transaction Financing**").

The securities to be issued in connection with the Transaction and the Offering 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.

Unless agreed between the Corporation and CBH, the LOI will terminate on the execution of the Definitive Agreement. The Corporation will provide a summary of CBH's significant financial information in due course.

About Red Oak

Red Oak is currently listed on the NEX board of the TSXV and has no business activity. Subsequent to completing the Transaction, the Corporation will operate in the cannabis sector.

Trading Update

The Corporation will issue a more comprehensive news release upon execution of the Definitive Agreement.

Trading of the Corporation's shares will remain halted until completion of the Transaction or until satisfactory documentation is filed with the TSXV and /or CSE. Additional information about the Transaction will be provided by way of a subsequent news release.

Completion of the Transaction is subject to a number of conditions, including TSXV acceptance and shareholder approval, if applicable. The Transaction cannot close until the required approvals are 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 disclosure document 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 Red Oak Mining Corp. should be considered highly speculative.

ON BEHALF OF THE BOARD OF RED OAK MINING CORP.

(Signed) "Jay Roberge"

Jay Roberge

Chief Executive Officer

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The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Reader Advisory

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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, including statements regarding the terms and conditions of the Transaction, the Offering and the outlook of the business of Patriot. Although the Corporation believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Corporation can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Transaction, the Offering and associated transactions, that the ultimate terms of the Transaction, the Offering, and associated transactions will differ from those that currently are contemplated, and that the Transaction, the Offering and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The terms and conditions of the Transaction may change based on the Corporation’s due diligence and the receipt of tax, corporate and securities law advice for both the Corporation and CBH. The statements in this press release are made as of the date of this release. The Corporation undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of the Corporation, CBH, their securities, or their respective financial or operating results (as applicable).

This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons, as such term is defined in Regulation S under the Securities Act (“Regulation S”), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act.