CO2 GRO Announces Closing of Shares for Debt Transaction

TORONTO, ON – August 15, 2018 – CO2 GRO Inc. ("**GROW**" or the "**Company**") (TSX-V: GROW) is pleased to announce that it has completed the shares for debt transaction originally announced on January 25, 2018 (the "**Shares-for-Debt Transaction**"), after receiving the requisite disinterested shareholder approval and the approval of the TSX Venture Exchange to settle indebtedness with certain members of the management of the Company.

Pursuant to the Shares-for-Debt Transaction, 4,329,733 common shares of the Company (the "**Shares**") were issued to each John Archibald, the President and Chief Executive Officer, Aaron Archibald, Vice-President - Operations and Sam Kanes, Vice President – Business Development (the "**Management Team**"). The Shares were issued at a deemed price of $0.19 per Share to settle debt in the amount of $2,467,948 related to an outstanding bonus payment and for services previously rendered to the Company in connection with the successful reactivation of the Company's dissolved CO2 plant production business segment.

Each member of the Management Team has agreed with the Company to escrow 50% of his Shares until January 1, 2019 provided that such Management member continues in his current (or similar) position with the Company. If, on January 1, 2019, the Management member no longer holds his (or a similar) position with Company then his escrowed Shares will be repurchased by the Company at the deemed issuance price, subject to applicable securities laws. Each member of the Management Team has signed an agreement with the Company and Computershare Trust Company of Canada, as escrow agent, relating to the terms of the escrowed Shares.

As a result of the Shares-for-Debt Transaction, John Archibald, directly and through his holding company, holds 4,579,888 Shares or 8.2% of the issued and outstanding Shares. Aaron Archibald, directly and through his holding company, holds 4,381,673 Shares or 7.9% of the issued and outstanding Shares.

Mr. Kanes now holds, directly and through his holding company, a total of 7,275,656 Shares representing approximately 13.0% of the current issued and outstanding Shares of the Company, 837,285 options and 1,866,025 warrants for the purchase of an additional 2,703,310 Shares of the Company. Should Mr. Kanes exercise all of his 2,703,310 options and warrants, he would hold or exercise control or direction over approximately 17.0% of the then issued and outstanding Shares. Prior to the Shares-for-Debt Transaction, Mr. Kanes had control and direction over 5,649,233 Shares (assuming the full exercise of the

2,703,310 options and warrants he already had control or direction over) which represented 12.4% of all of the issued and outstanding Shares. Mr. Kanes may, depending on market conditions, acquire additional Shares or dispose of existing Shares of the Company.

A copy of the Early Warning Report for Mr. Kanes will be available on SEDAR.

All securities issued in connection with the Shares-for-Debt Transaction will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities law legislation.

About CO2 GRO Inc.

GROW's mission is to accelerate all indoor and outdoor value plant growth naturally, safely, and economically using its patented advanced CO2 foliar technologies. GROW's global target plant markets are retail food at $8 trillion per year (Plunkett Mar 2017), retail non-food plants at an estimated $1 trillion per year and legal retail cannabis that may reach $50 billion per year by 2022 (Bay St Analyst estimates).

GROW's CO2 technologies are commercially proven, scalable and easily adopted into existing irrigation systems. GROW's proven crop yield enhancements and revenue model are compelling for growers and Agri-industrial partners.

GROW's sole focus is working with its plant grower and Agri-industrial partners in proving and adopting its CO2 technologies for specific growers' plant yield needs.

The CO2 technologies work by transferring CO2 gas into water and foliar spraying across the entire plant leaf surface area, which is a semi permeable membrane. The dissolved concentrated CO2 then penetrates a leaf's surface area naturally like nicotine naturally dissolves through human skin from a nicotine patch.

Foliar spraying natural nutrients and chemicals on plant leaves has been used for over 60 years by millions of indoor and outdoor plant growers. To date, outdoor growers have not had any way to enhance plant CO2 gas uptake for faster growth.

Indoor use of CO2 gassing has enhanced plant yields for over 60 years. However, over 50% of the CO2 gas is typically lost through ventilation. Current greenhouse CO2 gassing levels of up to 1500 PPM are also not ideal for worker health and safety. GROW's safer dissolved CO2 foliar spray can be used by indoor and outdoor plant growers with minimal CO2 gas lost.

Forward-Looking Statements *This news release may contain forward-looking statements that are based on CO2GRO's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by law.*

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 release.

For more information, please visit www.co2gro.ca or contact Sam Kanes, VP Business Development at 416-315-7477.