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The Coretec Group Releases Shareholder Newsletter Outlining Corporate Strategy and Use of Funding Proceeds

TULSA, OK / ACCESSWIRE / December 3, 2019 / The Coretec Group, Inc., (OTC PINK:CRTG) (the "Company"), a company developing a portfolio of silicon-based materials ("CHS"), today issued a letter from CEO Michael Kraft to its shareholders:

Dear Coretec Shareholders,

First, I want to thank you for your ongoing support of The Coretec Group (Coretec).

As you are likely aware, earlier this year we were pleased to announce our success in raising \$2.5 million in funding, a figure we expect will support the next steps of our corporate evolution and technological progress towards commercialization.

With that in mind, this letter outlines Coretec's business model for growth, intellectual property (IP) strategy, use of funds, near term plans, leadership update, as well as the recent progress made in accomplishing broader objectives.

Coretec is an advanced materials company focused on applications in high growth industries such as:

- Clean technology and renewable energy (battery technology/energy storage, LED lighting, solar and wind production, and others);
- Shrinking semiconductor devices and electronics;
- Medical materials (drug delivery and monitoring, hardware and more); and
- Volumetric display (Cspace[®])

The recent funds raised will allow us to add key people to the Coretec team, primarily in sales, marketing and operations. These additions will complement the current team including myself; VP of Technology, Ramez Elgammal; Operations Lead, Ken Evans; CFO, Ron Robinson; and Corporate Secretary, Judith Keating.

These funds will also enable further development of doped CHS (with lithium, for example) and quantum dots, which are derivatives needed for specific application development. We intend to use a portion of the funds to secure IP and patents in these areas.

We have previously explained that CHS and other silicon derivatives are at the forefront of promising current developments in applications such as medical use/drug delivery and monitoring, semiconductor processing, Silicon (Si) anode energy storage, and LED lighting and solar efficiency. Coretec believes CHS represents a premier Si precursor and is

committed to commercializing this technology, which we believe will play a prominent role in these high growth sectors.

The interest in CHS as a premier silicon-based precursor in this space has not waned among our target audience. With this funding in place, we plan to develop IP in the applications space, both independently and in partnership with our customers, and in some instances will strive to be the sole supplier of CHS.

As you know, Coretec's introduction to CHS began as a licensee from North Dakota State University ("NDSU"). Our goal for licensing CHS technology was to secure a process for manufacturing CHS. However, after significant efforts over more than two years, we determined that the NDSU CHS synthesis process could not be scaled up (i.e. the process was not commercially viable) and, accordingly, we terminated the NDSU relationship.

Coretec is currently developing its own IP in the CHS manufacturing process, one we believe can be scaled more quickly, without creating exclusivity liability or infringement risk, and ultimately allowing us to scale as application traction occurs. This strategy is designed to create higher barriers to entry, allowing us to partner with and/or be a key supplier of other companies, ultimately achieving better margins. To this effect, Coretec has filed IP in this area and we are currently working with our CHS supplier as well as our customers on application IP as described earlier in this letter.

As to CSpace, another product currently in development, we are in discussions regarding a potential partnership with Adelaide University in Australia with a goal of developing a new image space material. Together we are exploring obtaining a grant from the Australian government. Adelaide University is a renowned research facility in the area of glass and polymer doped image spaces.

Coretec's business strategy remains unchanged and emphasizes value creation in the application space detailed above throughout the use of CHS. Two near-term action steps in furtherance of this overriding objective are:

1. After months of preliminary work in identifying a suitable supplier of CHS and discussions with our leading candidate, we are meeting in mid-December with that candidate, a major international company, with the goal of developing the framework of a viable supply arrangement by year-end.
2. Continuing discussions with potential CHS customers that we have developed relationships with over the past year. Many of which appear eager to enter into CHS purchase agreements subject to our supplying CHS in the desired quantities.

I want to thank the entire Coretec team, suppliers, security holders and partners for remaining confident in the value of CHS in several markets and applications.

We are committed to commercializing CHS and CSpace and executing upon the objectives needed to achieve this goal. We are confident that once customers have a quality, stable source of CHS for evaluation use in their applications, we will be on our way to forging the best path forward for Coretec and increased shareholder value.

Thank you,

Michael Kraft
CEO - The Coretec Group Inc.

About The Coretec Group, Inc.

The Coretec Group, Inc. (the "Company") utilizes a portfolio of silicon-based and volumetric display materials to pursue commercial development of products in energy-focused verticals such as energy storage, solar, and solid-state lighting, as well as printable electronics and 3D volumetric displays. For more information, visit www.thecoretecgroup.com. Follow The Coretec Group on [Twitter](#) and [Facebook](#).

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