THE ARRANGEMENT AND THE RELATED SECURITIES DESCRIBED HEREIN HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, INCLUDING ANY SECURITIES REGULATORY AUTHORITY OF ANY CANADIAN PROVINCE OR TERRITORY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE U.S., NOR HAS ANY OF THEM PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF EVERTON RESOURCES INC.

to be held on

April 6, 2020

DATED AS OF MARCH 4, 2020

Letter to Everton Shareholders

March 4, 2020

Dear Shareholders:

You are invited to attend the annual general and special meeting (the "**Meeting**" or the "**Everton Meeting**") for the holders (the "**Everton Shareholders**") of common shares ("**Everton Shares**") of Everton Resources Inc. ("**Everton**") to be held at the offices of legal counsel for Everton, located at World Exchange Plaza, 45 O'Connor St #2000, Ottawa, Ontario K1P 1A4, on April 6, 2020 commencing at 10:00 a.m. (Toronto time), to consider and, if thought advisable, approve, in addition to regular annual and general meeting matters, a series of transactions that will result in the exchange of (the "**Securities Exchange**"): (i) the common shares ("**Molecule Shares**") of Molecule Inc. ("**Molecule**") for common shares ("**Resulting Issuer Shares**") of the Resulting Issuer (as defined herein); (ii) stock options of Molecule (the "**Molecule Options**") exercisable for Molecule Shares for stock options of the Resulting Issuer ("**Resulting Issuer Options**") exercisable for Resulting Issuer Shares; and (iii) share purchase warrants of Molecule (the "**Molecule Warrants**") exercisable for Molecule Shares for share purchase warrants of the Resulting Issuer ("**Resulting Issuer Warrants**") exercisable for Resulting Issuer Shares. This transaction, (the "**Transaction**") among others, is contemplated under the terms of an arrangement agreement dated November 27, 2019 (the "**Arrangement Agreement**") entered into between Everton and Molecule. References to the "**Resulting Issuer**" are to Everton after giving effect to the statutory arrangement of Molecule (the "**Arrangement**") pursuant to section 182 of the *Business Corporations Act* (Ontario), the Arrangement Agreement and the plan of arrangement in respect of the Arrangement (the "**Plan of Arrangement**"). After giving effect to the Arrangement, the Resulting Issuer will change its name to "Molecule Holdings Inc." or such other name as may be determined by the board of directors of Everton (the "**Everton Board**") and agreed by the board of directors of Molecule (the "**Molecule Board**") and Molecule will become a wholly owned subsidiary of the Resulting Issuer. If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to the completion of the Arrangement, the Everton Shares will be consolidated on the basis of a ratio of one (1) post-consolidation Resulting Issuer Share for each ten (10) pre-consolidation Everton Shares.

If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to giving effect to the Arrangement, the articles of Everton will be amended to create a class of preferred shares (the "**Resulting Issuer Preferred Shares**") and the Everton Board, in its sole discretion, will issue to each Everton Shareholder, as a stock dividend, one Resulting Issuer Preferred Share for each Everton Share held on the Record Date (as defined herein). The purpose of the Resulting Issuer Preferred Shares is to provide current Everton Shareholders with a right to receive, on a pro rata basis, an economic benefit, subject to an aggregate maximum of up to $500,000, in the event that any of the Everton mining royalties are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Resulting Issuer Preferred Shares. If triggered, the Resulting Issuer Preferred Shares would be redeemable, on a pro rata basis, for cash. The Resulting Issuer Preferred Shares would otherwise not have any rights or recourses. The proposed distribution of the Resulting Issuer Preferred Shares remains within the sole discretion of the Everton Board and is not contingent on completion of the Arrangement.

The name of the Resulting Issuer will be "**Molecule Holdings Inc.**" or such other name as may be determined by the Everton Board and agreed by the Molecule Board. The Resulting Issuer will continue the business of Molecule and intends to engage in the business of production and co-packing of cannabis infused beverages by providing the infrastructure, knowhow, technology, and license for craft beverage producers to create cannabis beverages. On February 28, 2020 Molecule received its standard processing

licence from Health Canada to conduct certain business related to cannabis products. A more detailed description of the Resulting Issuer is set forth in the attached management information circular (the "**Circular**").

The board of directors of the Resulting Issuer will consist of Andre Audet, Philip Waddington, Amy Proulx, Lindsay Weatherdon and David Reingold and the management of the Resulting Issuer will consist of Philip Waddington as President and Chief Executive Officer and Brendan Stutt will continue as Chief Financial Officer.

Before the completion of the Arrangement, Everton will delist from the TSX Venture Exchange (the "**TSXV**") and list on the Canadian Securities Exchange (the "**CSE**"). Former Everton Shareholders, now holders of Resulting Issuer Shares (the "**Former Everton Shareholders**") are expected to hold approximately 10% of the outstanding Resulting Issuer Shares (on an undiluted basis), after giving effect to the Molecule Private Placement based on the minimum anticipated gross proceeds of $2,000,000. The delisting of Everton from the TSXV is subject to the approval of the TSXV and the listing of the Resulting Issuer on the CSE is subject to the approval of the CSE.

Majority of Minority Approval

As the Arrangement is considered a "related party transaction" as defined in MI 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), in order to be effective, the Securities Exchange must be approved by a simple majority of the votes cast by Everton Shareholders, excluding the votes of Everton Shares held or controlled by "interested parties" (as defined in MI 61-101) and "related parties" (as defined in MI 61-101) being, Mr. Andre Audet, the Chief Executive Officer of Everton and a director of Everton, as Mr. Audet is also the Chief Executive Officer and a director of Molecule and Mr. Brendan Stutt, the Chief Financial Officer of Everton and the Chief Financial Officer of Molecule. As of February 7, 2020 (the "**Record Date**"), 7,190,700 Everton Shares (on a pre-Consolidation basis) are beneficially owned, or controlled or directed, directly or indirectly by Mr. Audet that will be excluded from voting with respect to Securities Exchange under the Arrangement. As of the Record Date, Mr. Stutt did not beneficially own, or control or direct, directly or indirectly, any Everton Shares. The completion of the Arrangement is subject to certain customary conditions, including the approval of the Ontario Superior Court of Justice (the "**Court**").

In addition, pursuant to TSXV Policy 2.9 - *Trading Halts, Suspensions and Delisting* ("**TSXV Policy 2.9**") requires that in the event that an issuer voluntarily delists all or any class of its listed shares from the TSXV that the TSXV will require, amongst other things, the majority of the minority shareholder approval for the delisting application. Accordingly, the delisting of Everton from the TSXV must be approved by a simple majority of the Everton Shares cast by the Everton Shareholders, excluding those held by Promoters, directors, officers, or other Insiders of Everton. A total of 7,970,000 Everton Shares will be excluded from such vote, specifically Everton Shares controlled by: Mr. Audet, being 7,190,700 Everton Shares; Mr. Fontaine, being 100,000 Everton Shares; Mr. Mintz, being 665,000 Everton Shares; and Mr. Stein, being 15,200 Everton Shares, will not be voted in respect to the Delisting Resolution.

Board Recommendation

The Everton Board has unanimously (other than Andre Audet who has abstained from making any recommendation with respect to the Securities Exchange Resolution) determined that the Transaction is in the best interests of Everton and is fair to the Everton Shareholders. The Circular contains a detailed description of the reasons for the determinations and recommendations of the Everton Board.

The Everton Board, other than Andre Audet, who has abstained from making any recommendation with respect to the Securities Exchange Resolution, unanimously recommends that the Everton Shareholders (all as defined and described in the Circular):

- **vote FOR the appointment of the Auditor;**
- **vote FOR the Everton Directors Resolution;**
- **vote FOR the Securities Exchange Resolution;**
- **vote FOR the Consolidation Resolution;**
- **vote FOR the Name Change Resolution;**
- **vote FOR the Preferred Share Resolution;**
- **vote FOR the Resulting Issuer Director Resolution;**
- **vote FOR the Stock Option Plan Resolution; and**
- **vote FOR the Delisting Resolution**.

Voting

Your vote is important regardless of the number of Everton Shares you own. If you are not registered as the holder of your Everton Shares but hold your Everton Shares through a broker or other financial intermediary, you should follow the instructions provided by your broker or other financial intermediary to vote your Everton Shares. See the section in the accompanying Circular entitled "*General Proxy Information — Voting Options – Voting for Non-Registered Everton Shareholders*" for further information on how to vote your Everton Shares.

If you are a registered holder of Everton Shares, we encourage you to vote by completing the enclosed form of proxy. You should specify your choice by marking the box on the enclosed form of Everton Proxy and by dating, signing and returning your Everton Proxy to Computershare Trust Company of Canada (the "**Depositary**") by mail, or by hand delivery at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by visiting www.invest.com and entering your 15-digit control number, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Everton Meeting or any adjournment or postponement thereof. Please do this as soon as possible. Voting by Everton Proxy will not prevent you from voting in person if you attend the Everton Meeting and revoke your Everton Proxy, but will ensure that your vote will be counted if you are unable to attend.

Letters of Transmittal for Everton Shares

If you hold your Everton Shares through a broker or other financial intermediary, please contact that broker or other financial intermediary for instructions and assistance in receiving the Resulting Issuer Shares in respect of such Everton Shares. If you are a registered Everton Shareholder, you must complete and return the enclosed letter of transmittal (the "**Letter of Transmittal**") to be delivered by Everton to the Everton Shareholders providing for the delivery of the Everton Shares to the Computershare Trust Company of Canada together with the certificate(s) or DRS Statement(s) representing your Everton Shares and any other required documents and instruments, in the enclosed return envelope in accordance with the instructions

set out in the Letter of Transmittal so that if the Transaction and related transactions are approved, your Resulting Issuer Shares can be sent to you as soon as possible following the closing of the Transaction. The Letter of Transmittal contains other procedural information related to the Transaction and should be reviewed carefully. If you have any questions, please contact us by telephone at 1-800-564-6253 or by e-mail at corporateactions@computershare.com.

Sincerely,

"Andre Audet"
Andre Audet
Chairman and Chief Executive Officer

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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF EVERTON SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Everton Meeting**") of shareholders ("**Everton Shareholders**") of Everton Resources Inc. ("**Everton**") will be held at 10:00 a.m. (Toronto time) on April 6, 2020 at the offices of legal counsel for Everton, located at World Exchange Plaza, 45 O'Connor St #2000, Ottawa, Ontario K1P 1A4, for the following purposes, more as described in the accompanying management information circular dated March 4, 2020 (the "**Circular**"):

(a) to receive the consolidated financial statements of Everton together with the auditor's report thereon for the fiscal year ended October 31, 2019 and for the fiscal year ended October 31, 2018;

(b) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to appoint Devisser Gray LLP, as the auditors of Everton for the ensuing year and to authorize the directors of Everton (the "**Everton Directors**") to fix their remuneration;

(c) to consider and, if deemed advisable, to pass an ordinary resolution (the "**Everton Directors Resolution**") electing the directors of Everton until the completion of the Arrangement (as defined herein);

(d) to consider and, if deemed advisable, to pass an ordinary resolution of the majority of the minority of Everton Shareholders (the "**Securities Exchange Resolution**") to approve the exchange of (the "**Securities Exchange**"): (i) on a post-Consolidation (as defined herein) basis, up to 74,400,100 (subject to the issuance of additional Molecule Shares (as defined herein) pursuant to the Molecule Private Placement (as defined herein) and as otherwise contemplated in the Arrangement Agreement common shares ("**Resulting Issuer Shares**") of the Resulting Issuer (as defined herein) in exchange for all of the issued and outstanding common shares ("**Molecule Shares**") of Molecule Inc. ("**Molecule**"); (ii) up to 2,500,000 stock options (on a post-Consolidation basis) exercisable for Resulting Issuer Shares ("**Resulting Issuer Options**") for all of the issued and outstanding stock options of Molecule exercisable for Molecule Shares ("**Molecule Options**"); and (iii) the number of Resulting Issuer Share purchase warrants ("**Resulting Issuer Warrants**") equal to the number of Molecule Share purchase warrants ("**Molecule Warrants**") that may be issued under the Molecule Private Placement, all in accordance with the proposed plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**") of Molecule to be completed pursuant to the terms and subject to the conditions of an arrangement agreement (the "**Arrangement Agreement**"), dated November 27, 2019 between Everton and Molecule Everton thereafter being the "**Resulting Issuer**" (the "**Transaction**");

(e) to consider and, if deemed advisable, to pass a special resolution (the "**Consolidation Resolution**") approving the consolidation of the Everton Shares on the basis of one post-consolidated Resulting Issuer Share for each 10 pre-consolidation Everton Shares (the "**Consolidation**") to take effect immediately prior to the completion of the Arrangement and only if the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement;

(f) to consider and, if deemed advisable, to pass, a special resolution (the "**Name Change Resolution**") to approve an amendment to the articles of Everton to change its name to

"Molecule Holdings Inc." or such other name as may be determined by the Board of Directors of Everton and agreed by the Molecule Board to take effect only in the event the Arrangement is completed;

(g) to consider and, if deemed advisable, to pass, a special resolution (the "**Preferred Share Resolution**") to authorize Everton to, immediately prior to giving effect to the Arrangement, amend its articles to create a class of preferred shares of Everton (after giving effect to the Arrangement, the "**Resulting Issuer Preferred Shares**");

(h) to consider and, if deemed advisable, to pass an ordinary resolution (the "**Resulting Issuer Director Resolution**") electing the directors of the Resulting Issuer to be conditional on and effective immediately following the completion the Arrangement;

(i) to consider and, if deemed advisable, to pass a special resolution (the "**Stock Option Plan Resolution**") confirming, authorizing, and approving the stock option plan of Everton, which will be the Stock Option Plan of the Resulting Issuer upon completion of the Arrangement;

(j) to consider and, if deemed advisable, to pass, an ordinary resolution (the "**Delisting Resolution**") of the majority of the minority of Everton Shareholders, to delist the Everton Shares from the TSX Venture Exchange (the "**TSXV**") in accordance with TSXV Policy 2.9-*Trading Halts, Suspensions and Delisting*; and

(k) to transact such other business as may properly be brought before the Everton Meeting or any adjournment thereof.

The record date (the "**Record Date**") for determination of Everton Shareholders entitled to receive notice of and to vote at the Everton Meeting is the close of business on February 7, 2020. Only Everton Shareholders whose names have been entered in the register of Everton Shareholders at the close of business on the Record Date are entitled to receive notice of and to vote at the Everton Meeting. Each Everton Share entitled to be voted on each resolution at the Everton Meeting will entitle the Everton Shareholder to one vote at the Everton Meeting on all matters to come before the Everton Meeting.

An Everton Shareholder may attend the Everton Meeting in person or may be represented by proxy. Everton Shareholders who are unable to attend the Everton Meeting or any adjournment thereof in person are requested to date, sign, and return the accompanying form of proxy (the "Everton Proxy") for use at the Everton Meeting or any adjournment thereof. To be effective, the Everton Proxy must be received by our transfer agent, Computershare Trust Company of Canada, by mail: 100 University Ave. 8th Floor, Toronto, On, M5J 2Y1, not later than April 2, 2020 (Toronto time) at 10:00 a.m. or 48 hours (other than a Saturday, Sunday or holiday) prior to the time to which the Everton Meeting may be adjourned. Notwithstanding the foregoing, the Chair of the Everton Meeting has the discretion to accept proxies received after such deadline.

If an Everton Shareholder receives more than one form of Everton Proxy because such Everton Shareholder owns Everton Shares registered in different names or addresses, each form of Everton Proxy should be completed and returned.

If you are a non-registered Everton Shareholder and have received these materials through your broker, custodian, nominee, or other financial intermediary, please complete and return the form of Everton Proxy or voting instruction form provided to you by your broker, custodian, nominee, or other financial intermediary in accordance with the instructions provided therein.

The Everton Proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Everton Meeting; and (ii) other matters that may properly come before the Everton Meeting. As of the date hereof, management of Everton knows of no amendments, variations or other matters to come before the Everton Meeting other than the matters set forth in this Notice of Meeting. Everton Shareholders who are planning on returning the accompanying Everton Proxy are encouraged to review the Circular carefully before submitting the Everton Proxy form. It is the intention of the persons named in the enclosed Everton Proxy, if not expressly directed to the contrary in such proxy, to vote in favour of each respective resolution above.

DATED at Ontario this 4th day of March, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Andre Audet"

_____

Andre Audet
Chairman and Chief Executive Officer

STATEMENT ON GLOSSARY OF TERMS

Unless the context otherwise requires, any capitalized terms used herein and not otherwise defined have the meanings given to them in the Glossary of Terms contained in this Circular.

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular, unless otherwise indicated, is given as of March 4, 2020.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered or relied upon as not having been authorized by Everton or Molecule. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to herein shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

Information contained in this Circular should not be construed as legal, tax, or financial advice and Everton Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Circular.

The Arrangement Agreement, the Plan of Arrangement and the related securities described herein have not been approved or disapproved by any securities regulatory authority (including any securities regulatory authority of any Canadian province or territory, the United States Securities and Exchange Commission, or any securities regulatory authority of any state of the U.S.), nor has any securities regulatory authority passed upon the fairness or merits of the Arrangement or upon the accuracy or adequacy of the information contained in this Circular and any representation to the contrary is unlawful.

Descriptions in this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are summaries of the terms of those documents and are qualified in their entirety by such terms. Everton Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The Arrangement Agreement and the Plan of Arrangement have been filed by Everton under its profile on SEDAR and are available at www.sedar.com.

Information Contained in this Circular regarding Molecule

The information concerning Molecule and its affiliates contained in this Circular has been provided by Molecule for inclusion in this Circular and should be read together with, and qualified by, the documents of Molecule incorporated by reference herein. Although Everton has no knowledge that would indicate any statements contained herein relating to Molecule and its affiliates taken from or based upon such information provided by Molecule are untrue or incomplete, neither Everton nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to Molecule and its affiliates, or for any failure by Molecule to disclose facts or events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to Everton.

Currency

Unless otherwise indicated herein, references to "$", "Cdn$", "C$" or "Canadian dollars" are to Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Circular and the documents incorporated into this Circular by reference, contain "forward-looking statements" within the meaning of the *U.S. Private Securities Litigation Reform Act of 1995* and "forward-looking information" within the meaning of the applicable Canadian securities legislation (forward-looking information and forward-looking statements being collectively herein after referred to as "**forward-looking statements**") that are based on expectations, estimates, and projections as at the date of this Circular or the dates of the documents incorporated herein by reference, as applicable. These forward-looking statements include but are not limited to statements and information concerning: the Arrangement; intentions, plans, and future actions of Everton, Molecule, and the Resulting Issuer; the timing for the implementation of the Arrangement, principle steps of the Arrangement, the potential benefits of the Transaction, the likelihood of the Transaction being completed, statements relating to the business and future activities of and developments of Everton, Molecule, and the Resulting Issuer after the date of this Circular and prior to the Effective Time and of the Resulting Issuer after the Effective Time; approval by the Everton Shareholders of the matters referenced herein, approval by Molecule Shareholders of matters referenced herein; Court approval of the Arrangement, the delisting of the Everton Shares from the TSXV; the listing of the Resulting Issuer Shares on the CSE; the ability to compete and future financial or operating performance of the Resulting Issuer; the liquidity of Resulting Issuer Shares following the Effective Time; and the anticipated developments in operations of the Resulting Issuer and other events or conditions that may occur in the future.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "should", "would", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

To the extent any forward-looking information constitutes "future-oriented financial information" or "financial outlook", as those terms are defined under Canadian securities laws, such statements are being provided to describe the current anticipated effect of the Arrangement, and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Future-oriented financial information and financial outlook, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out in this cautionary statement. The Resulting Issuer's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Resulting Issuer's revenue, earnings and expenses may differ materially from the revenue, earnings and expenses profiles provided in this Circular. Such information is presented for illustrative purposes only. Forward-looking information that may constitute "future-oriented financial information" or "financial outlook" includes statements about the forecasted budget of the Resulting Issuer and expectations regarding generation of cash to fund operations of the Resulting Issuer.

These forward-looking statements are based on the beliefs of Everton's and Molecule's management, as the case may be, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate. Such assumptions and factors include, amongst other things, that the terms and conditions of the Arrangement Agreement will be able to be satisfied or waived by Everton and Molecule, as applicable, that all necessary Everton Shareholder and Molecule Shareholder approvals will be obtained with respect to the Transaction, that all regulatory

approvals necessary to complete the Transaction will be obtained, including the approval of the Court, that the delisting of the Everton Shares from the TSXV will be successful, that the application for the listing of the Resulting Issuer Shares on the CSE will be successful, and assumptions related to the viability of the business of the Resulting Issuer as currently contemplated.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance, or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements.

Although Everton and Molecule believe that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: failure of the Parties to fulfill or waive the conditions precedent to the Arrangement, the potential termination of the Arrangement Agreement, that the unaudited pro forma financial statements may not be indicative of the Resulting Issuer's actual financial results following the closing of the Transaction, that the proposed Arrangement may not receive the necessary Everton Shareholder, Molecule Shareholder, and regulatory approvals, Everton and Molecule's management have a conflict of interest with respect to the Transaction, that the issuance of additional Everton Shares could adversely affect the market price of the Resulting Issuer Shares, that the Resulting Issuer may require additional financing to meet its anticipated business objectives, there may be no market for the Resulting Issuer Shares, there is no assurance that the Resulting Issuer will be profitable, that the business of Molecule, and accordingly that of the Resulting Issuer has limited operating history, Molecule Shareholders will have significant influence of the Resulting Issuer, the Resulting Issuer may be vulnerable to risks associated with licensing requirements for cannabis companies in Canada, increasing competition in the cannabis industry in Canada, regulatory risks, potential restrictions on sales activities of the Resulting Issuer, no assurance that the market price of the Resulting Issuer Shares will increase, and other factors beyond Everton, Molecule or the Resulting Issuer's control, as more particularly described under the heading "*Risk Factors*".

Consequently, all forward-looking statements made in this Circular and other documents regarding Everton, Molecule or the Resulting Issuer, as applicable, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on Everton, Molecule or the Resulting Issuer. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that Everton, Molecule or the Resulting Issuer, and/or persons acting on their behalf may issue. None of Everton, Molecule or the Resulting Issuer undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

NOTE TO UNITED STATES SECURITYHOLDERS

THE ARRANGEMENT, THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT, AND THE RESULTING ISSUER PREFERRED SHARES, HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE

COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY U.S. STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT, THE PROPOSED DISTRIBUTION OF THE RESULTING ISSUER PREFERRED SHARES BY WAY OF A STOCK DIVIDEND, OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Resulting Issuer Shares and the Resulting Issuer Options to be issued in exchange for Molecule Shares and Molecule Options under the Arrangement have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or applicable state securities laws, and, except as described below, will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court. The Court will be informed of Everton's intention to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act and will consider, among other things, the substantive and procedural fairness of the Arrangement to the persons entitled to receive such securities in exchange for their respective Molecule Shares and Molecule Options as further described in this Circular under the heading "*The Arrangement — Regulatory Law Matters and Securities Law Matters*".

The Molecule Units issuable pursuant to the Molecule Private Placement (each as described herein), and the underlying Molecule Shares and Molecule Warrants, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. The exchange of Molecule Shares held by any U.S. investors for Resulting Issuer Shares, and the exchange of Molecule Warrants held by such investors for Resulting Issuer Warrants, in each case under the Arrangement, will not be effected in reliance Section 3(a)(10) of the U.S. Securities Act, but rather in reliance on certain other exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Resulting Issuer Shares and Resulting Issuer Warrants will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act), and any certificates or other instruments representing such securities will be endorsed with a legend restricting their transfer except pursuant to registration under the U.S. Securities Act absent an exemption from such registration requirements.

The Resulting Issuer Preferred Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. The proposed distribution of the Resulting Issuer Preferred Shares to existing Everton Shareholders by way of a stock dividend within the sole discretion of the Everton Board as described herein does not call for an investment decision on the part of such Everton Shareholders, and therefore is not subject to the registration requirements of the U.S. Securities Act or any state securities laws. Any Resulting Issuer Preferred Shares issued to U.S. Everton Shareholders will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act), and any certificates or other instruments representing such shares will be endorsed with a legend restricting their transfer except pursuant to registration under the U.S. Securities Act absent an exemption from such registration requirements.

The solicitation of proxies made pursuant to this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and Securities Laws. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act.

The financial statements and information included or incorporated by reference in this Circular have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards and thus may not be comparable to financial statements prepared in accordance with United States standards.

The enforcement by investors of civil liabilities under United States federal or state securities laws may be affected adversely by the fact that Everton is incorporated or organized outside the United States, that many of their respective officers and directors and the experts named herein are residents of a foreign country, and that some of the assets of Everton, Molecule and/or the Resulting Issuer and said persons are located outside the United States. As a result, it may be difficult or impossible for U.S. Everton Shareholders to effect service of process within the United States upon Everton and Molecule, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, U.S. Everton Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

SUMMARY OF CIRCULAR

This Summary should be read together with and is qualified in its entirety by the more detailed information and financial data and statements contained elsewhere in this Circular, including the Schedules hereto and documents incorporated into this Circular by reference. Capitalized terms in this Summary have the meanings set out in the Glossary of Terms or as set out in this Summary. The full text of the Arrangement Agreement and the Plan of Arrangement which are incorporated by reference in this Circular, may be viewed on SEDAR at www.sedar.com under the filings made by Everton.

The Everton Meeting

The Everton Meeting

The Everton Meeting will be held on April 6, 2020 at 10:00 a.m. (Toronto time) at the offices of legal counsel for Everton, located at World Exchange Plaza, 45 O'Connor St #2000, Ottawa, Ontario K1P 1A4. The record date for determining the holders (the "**Everton Shareholders**") of common shares (the "**Everton Shares**") entitled to receive notice of and to vote at the Everton Meeting is February 7, 2020 (the "**Record Date**"). Only Everton Shareholders of record as of the close of business (Toronto time) on the Record Date are entitled to receive notice of and to vote at the Everton Meeting.

Purpose of the Everton Meeting

The purpose of the Everton Meeting is for Everton Shareholders to consider and vote upon the following resolutions, and **the Everton Board (other than Andre Audet, who has abstained from making any recommendation with respect to the Securities Exchange Resolution), unanimously recommends that the Everton Shareholders:**

- **vote FOR the appointment of the Auditor;**
- **vote FOR the Everton Directors Resolution;**
- **vote FOR the Securities Exchange Resolution;**
- **vote FOR the Consolidation Resolution;**
- **vote FOR the Name Change Resolution;**
- **vote FOR the Preferred Share Resolution;**
- **vote FOR the Resulting Issuer Director Resolution;**
- **vote FOR the Stock Option Plan Resolution; and**
- **vote FOR the Delisting Resolution,**

all as defined herein.

Parties to the Arrangement

Everton is a corporation existing under the *Canada Business Corporations Act* ("**CBCA**"). Everton's head office and registered office is located at 38 Scott Road, Chelsea, Quebec J9B 1R5. The Everton Shares are listed for trading on the TSXV under the symbol "EVR".

Molecule is a corporation existing under the OBCA. Molecule's head office and registered office is located at 591 Reynolds Road, Lansdowne, ON K0E 1L0.

See *"Information Concerning Everton"* and *" Information Concerning Molecule"* for a description of Everton and Molecule respectively, and *"Information Concerning the Resulting Issuer"* for a description of the Resulting Issuer after giving effect to the Arrangement.

The Arrangement

Background to the Arrangement

The Arrangement and the provisions of the Arrangement Agreement are the result of non-arms length negotiations conducted between representatives of Everton and Molecule. Negotiations were non-arms length as Andre Audet is the Chief Executive Officer and a director of Everton and the Chief Executive Officer and a director of Molecule and Brendan Stutt is the Chief Financial Officer of Everton and the Chief Financial Officer of Molecule. A summary of the material events leading up to the negotiation of the Arrangement Agreement and the material meetings, negotiations, and discussions between Everton and Molecule that preceded the execution and public announcement of the Arrangement Agreement is included in this under the heading *"The Arrangement – Background to the Arrangement"*.

Effect of the Arrangement

Under the Plan of Arrangement, the following shall occur and shall be deemed to occur sequentially in five (5) minute intervals (unless otherwise provided) without any further act or formality on the part of any Person, except as expressly provided herein:

(a) each Molecule Share held by Molecule Shareholders who have exercised Molecule Dissent Rights (provided the right of such Molecule Shareholder to dissent with respect to such Molecule Shares has not been terminated or ceased to apply to such Molecule Shareholder) will be deemed to have been transferred by such Molecule Dissenting Shareholder to Molecule without any further act or formality on the part of such Molecule Dissenting Shareholders, free and clear of all liens, claims and encumbrances, and each Molecule Dissenting Shareholder will cease to have any rights as a Molecule Shareholder other than the right to be paid the fair value of its Molecule Shares in accordance with Article 4 of the Plan of Arrangement;

(b) at the time of the step contemplated in Section 3.3(a) of the Plan of Arrangement, with respect to the Molecule Shares transferred pursuant to Section 3.3(a) of the Plan of Arrangement:

(i) the Molecule Dissenting Shareholders will cease to be the registered holder of such Molecule Shares;

(ii) the name of each Molecule Dissenting Shareholder will be removed from the central securities register of Molecule with respect to such Molecule Shares;

(iii) legal and beneficial title to such Molecule Shares will be transferred to Molecule and Molecule will cancel such Molecule Shares;

(iv) the certificates representing such Molecule Shares will be deemed to have been cancelled; and

(v) the Molecule Dissenting Shareholders will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer;

(c) immediately thereafter:

(i) each issued and outstanding Molecule Share (other than the Molecule Shares in respect of which a Molecule Dissenting Shareholder has validly exercised its Molecule Dissent Rights) will be transferred to, and acquired by the Resulting Issuer, without any act or formality on the part of such Molecule Shareholder or the Resulting Issuer, free and clear of all liens, in exchange for such number of Post-Consolidation Resulting Issuer Shares equal to the Exchange Ratio, provided that the aggregate number of Post-Consolidation Resulting Issuer Shares payable to any Molecule Shareholder prior to the Effective Time, if calculated to include a fraction of a Post-Consolidation Resulting Issuer Share, will be rounded down to the nearest whole Resulting Issuer Share, with no consideration being paid for the fractional share,

(ii) the name of each such Molecule Shareholder will be removed from the register of holders of Molecule Shares and added to the register of holders of Resulting Issuer Shares, and the Resulting Issuer will be recorded as the registered holder of such Molecule Shares so exchanged and will be deemed to be the legal and beneficial owner thereof,

(iii) all such Molecule Shares will be cancelled and, in consideration therefor, Molecule will issue one common share to the Resulting Issuer;

(d) each Molecule Option that is outstanding and has not been duly exercised prior to the Effective Time will be exchanged and, in consideration therefor, will be deemed exercisable for a Resulting Issuer Share on a post-Consolidation basis (that will be governed by the terms of the Stock Option Plan), such that: (i) on exercise of each Resulting Issuer Option, the holder will be entitled to acquire, and will accept in lieu of the number of Molecule Shares to which such holder was entitled immediately before the Effective Date, the number of Resulting Issuer Shares on a post-Consolidation basis equal to the number of Molecule Shares subject to the Molecule Option immediately before the Effective Date, and (ii) each such Resulting Issuer Option will have an exercise price per Resulting Issuer Share on a post-Consolidation basis equal to the exercise price per Molecule Share subject to such Molecule Option immediately before the Effective Date. Except as provided in this Section 3.3(d) of the Plan of Arrangement, all other terms and conditions of the Molecule Option in effect immediately prior to the Effective Date will govern the Resulting Issuer Option for which the Molecule Option is so exchanged;

(e) each Molecule Warrant that is outstanding and has not been duly exercised prior to the Effective Time will be exchanged and, in consideration therefor, will be deemed exercisable for a Resulting Issuer Share on a post-Consolidation basis (each a "Resulting

Issuer Warrant"), such that: (i) on exercise of each Resulting Issuer Warrant, the holder will be entitled to acquire, and will accept in lieu of the number of Molecule Shares to which such holder was entitled immediately before the Effective Date, the number of Resulting Issuer Shares on a post-Consolidation basis equal to the number of Molecule Shares subject to the Molecule Warrant immediately before the Effective Date, and (ii) each such Resulting Issuer Warrant will have an exercise price per Resulting Issuer Share on a post-Consolidation basis equal to the exercise price per Molecule Share subject to such Molecule Warrant immediately before the Effective Date. Except as provided in this Section 3.3(e) of the Plan of Arrangement, all other terms and conditions of the Molecule Warrant in effect immediately prior to the Effective Date will govern the Resulting Issuer Warrant for which the Molecule Warrant is so exchanged; and

(f) provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

Recommendation of the Everton Board

After careful consideration, the Everton Board (other than Andre Audet, who has abstained from making any recommendation with respect to the Securities Exchange Resolution to be voted upon at the Everton Meeting) unanimously determined that the Arrangement is in the best interests of Everton and is fair to the Everton Shareholders.

Reasons for the Everton Board Recommendations

The Everton Board, other than Andre Audet, who abstained from making any recommendation with respect to the Securities Exchange Resolution has unanimously determined that the Transaction is in the best interests of Everton and is fair to Everton Shareholders, and recommends that Everton Shareholders vote in favour of the aforementioned resolutions relating to the Transaction. In making its determination, the Everton Board considered and relied upon a number of factors, including, amongst other factors:

(a) that the Arrangement offers Everton Shareholders an opportunity to own equity in a business that intends to engage in the production and co-packing of cannabis-infused beverages by providing the infrastructure, knowhow, technology and license for craft beverage producers to create cannabis beverages, providing Former Everton Shareholders with exposure to strong growth opportunities in the cannabis industry in Canada;

(b) the Arrangement is expected to provide Everton Shareholders with a more diverse shareholder base and increased liquidity as it is expected that the Resulting Issuer will have a larger market capitalization and public float upon completion of the Arrangement;

(c) Everton formed an Independent Committee comprised of Michel Fontaine, Steven Mintz, and Keith Stein who carefully considered a number of transaction options for Everton and determined that the Transaction was the most attractive strategic opportunity which it had been presented;

(d) that Everton's and Molecule's respective representations, warranties, and covenants and the conditions to their respective obligations set forth in the Arrangement Agreement are reasonable in the judgment of the Everton Board following consultations with its advisors; and

(e) following completion of the closing of the Transaction, members of the management of Molecule will become members of management of Everton. Molecule has an experienced management team that is equipped with operational know-how to conduct the business of the Resulting Issuer.

In the course of its deliberations, the Everton Board also identified and considered a variety of risks, including, but not limited to:

(a) concerns about Everton Shareholders being diluted and the uncertainty of the value of Resulting Issuer Shares; and

(b) the risks to Everton if the Transaction is not completed, including the costs to Everton in pursuing the Transaction and the diversion of management's attention away from the conduct of Everton's business in the ordinary course.

The foregoing summary of the information and factors considered by the Everton Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the Everton Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching its conclusion and recommendation. In addition, individual members of the Everton Board may have given different weight to different factors or items of information.

The Arrangement Agreement

The Arrangement will be effected in accordance with the Arrangement Agreement and Plan of Arrangement. A summary of the material terms of the Arrangement Agreement and the Plan of Arrangement are set out under the heading *"The Arrangement Agreement"* and are subject to and qualified in its entirety by the full text of the Arrangement Agreement and the Plan of Arrangement which may be viewed under Everton's profile on SEDAR at www.sedar.com.

Molecule Private Placement

Molecule must arrange a private placement ("**Molecule Private Placement**") for a minimum of $2,000,000 in gross proceeds by the issuance of units of Molecule ("**Molecule Units**"), each Molecule Unit consisting of one Molecule Share and one-half of one Molecule Warrant, the terms of which are to be agreed by Everton and Molecule in the context of the market, concurrently with the closing of the Arrangement, or such higher maximum as Molecule may determine in its sole reasonable discretion. The issue price per Molecule Unit will be greater than or equal to $0.30, depending on market conditions and subject to the approval of the TSXV. Assuming an issue price of $0.30, Molecule could issue 6,666,666 Molecule Units, consisting of 6,666,666 Molecule Shares and 3,333,333 Molecule Warrants, or such higher amount as Molecule may determine in its sole reasonable discretion. The closing of a minimum Molecule Private Placement of proceeds of $2,000,000 is a condition to the closing of the Arrangement.

The Molecule Units, and the underlying Molecule Shares and Molecule Warrants, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. The exchange of Molecule Shares held by any U.S. investors for Resulting Issuer Shares, and the exchange of Molecule Warrants held by such investors for Resulting Issuer Warrants, will be effected in reliance on certain exemptions from the registration requirements of the U.S. Securities Act other than section 3(a)(10) thereunder, and in reliance on certain exemptions from the registration requirements of applicable state securities laws. Accordingly, such Resulting Issuer Shares and Resulting Issuer Warrants will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act), and the certificates or other

instruments representing such securities will be endorsed with a legend restricting their transfer except pursuant to registration under the U.S. Securities Act absent an exemption from such registration requirements.

Everton, Molecule and the Resulting Issuer

Everton

Everton is a Canadian mineral exploration and development company incorporated November 7, 1996 under the *Business Corporations Act* (Alberta) and continued under the CBCA. Everton is engaged in the acquisition and exploration of mineral properties, with the aim of discovering commercially exploitable deposits of minerals (primarily precious metals), which can be disposed of for a profit to companies that wish to place such deposits into commercial production. The Everton Shares are listed for trading on TSXV under the symbol "EVR".

As at March 4, 2020, the only mineral property that Everton holds is its interest in the Opinaca property located in Quebec, Canada (the "**Opinaca Property**"). The Opinaca Property is divided into two properties, comprising of one property adjacent to the northern boundary of gold deposit property owned by Goldcorp Inc. ("**Opinaca A**") and the other property is located eight kilometers southeast of this same gold deposit property ("**Opinaca B**"). Everton currently holds a 50% interest in Opinaca A and a 25% interest in Opinaca B. See "*Information Concerning Everton*"

Molecule

Molecule is a private Ontario corporation located at 591 Reynolds Road, Lansdowne, Ontario, K0E 1L0. On February 28, 2020 Molecule received its standard processing licence from Health Canada. Molecule's goal is to be the on-ramp for companies wishing to enter into the cannabis beverage market but who do not wish to go through the significant process of obtaining a cannabis processing licence.

The primary activity is that of producing and canning cannabis-infused beverages. Briefly, the process involves taking highly filtered, purified water, controlling for oxygen and dissolved gases, flavouring and processing in small craft batches, following highly specific dosing protocols to ensure specific quantities of infused cannabis, and canning, packaging and labeling to ensure compliant, shelf-stable products. See "*Information Concerning Molecule*"

The Resulting Issuer

The head office and the registered office of the Resulting Issuer will be located at 591 Reynolds Road, Lansdowne, ON K0E 1L0. Upon completion of the Arrangement, the Resulting Issuer expects that it will become a reporting issuer in British Columbia, Alberta, Ontario, and Quebec and will be approximately capitalized with $3.7 million in working capital, after giving effect to the Molecule Private Placement assuming gross proceeds of $2,000,000 based on the pro forma financial statements as at October 31, 2019, attached as Schedule "C".

The Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Shares. Upon completion of the Arrangement, it is anticipated that there will be, after giving effect to the Consolidation but before giving effect to the Molecule Private Placement:

(a) 84,523,880[1][2] Resulting Issuer Shares issued and outstanding, of which 9,313,447 will be held by the Former Everton Shareholders, 810,333[3] will be held by the Everton Creditor and 74,400,100 will be held by former Molecule Shareholders;

(b) 9,313,447 Resulting Issuer Preferred Shares issued and outstanding to the Former Everton Shareholders exclusively;

(c) 2,830,000 Resulting Issuer Options issued and outstanding, of which 330,000 will be held by former holders of Options and 2,500,000 will be held by former holders of Molecule Options; and

(d) 1,626,750 Resulting Issuer Warrants issued and outstanding, which will be held by the former holders of Warrants.

See "Information Concerning the Resulting Issuer"

Appointment of Auditor

Everton is proposing to appoint Devisser Gray LLP as auditors of Everton for the ensuing year. See "*Appointment of Auditors*".

Everton Directors

Management's nominations for directors to be appointed as Everton Directors are Andre Audet, Michel Fontaine, Steven Mintz, and Keith Stein. Upon completion of the Arrangement all of the Everton Directors will resign with the exception of Andre Audet and the directors of the Resulting Issuer will be comprised of Andre Audet, Philip Waddington, Amy Proulx, Lindsay Weatherdon and David Reingold (the "**Resulting Issuer Board Nominees**"). See "*Election of Directors*".

The Securities Exchange

Everton is proposing the issuance of up to 74,400,100 Resulting Issuer Shares in exchange for 74,400,100 Molecule Shares (plus an additional number of Resulting Issuer Shares equal to the number of Molecule Shares comprised in the Molecule Units issued under the Molecule Private Placement as otherwise contemplated in the Arrangement Agreement), the grant of 2,500,000 Resulting Issuer Options in exchange for 2,500,000 Molecule Options and the issuance of a number of Resulting Issuer Warrants to be exchanged for the number of Molecule Warrants comprised in the Molecule Units issued under the Molecule Private Placement, all subject to increase or decrease in accordance with and subject to the terms of the Arrangement Agreement. See "*The Arrangement and the Securities Exchange Resolution*".

[1] Subject to increase in relation to the issuance of Molecule Units, each Molecule Unit consisting of one Molecule Share and one-half of one Molecule Warrant, pursuant to the Molecule Private Placement. The closing of a minimum Molecule Private Placement of minimum proceeds of $2,000,000 at a price of $0.30 per Molecule Unit (contingent on market conditions and the approval of the TSXV) is a condition to the closing of the Arrangement.

[2] Subject to increase in the event of the issuance of additional Molecule Shares pursuant to employment or consulting agreements as contemplated in the Arrangement Agreement.

[2] 810,333 Everton Shares (the "**Everton Creditor Shares**") that will be converted into Everton Shares from $243,100 of indebtedness of Everton at a price of $0.30 per Everton Share, such indebtedness owed to Andre Audet, as a creditor of Everton (in that capacity, the "**Everton Creditor**") immediately prior to the Effective Time. The indebtedness relates to advances and loans that he has made to Everton in order to satisfy Everton's minimum working capital needs in the absence of any reasonable third party funding alternatives.

The Arrangement is considered a "related party transaction" as such term is defined in MI 61-101 since Mr. Andre Audet, the Chief Executive Officer and a Director of Everton is also the Chief Executive Officer and a Director of Molecule and Brendan Stutt is the Chief Financial Officer of Everton and also the Chief Financial Officer of Molecule. MI 61-101 is intended to regulate certain transactions to ensure the protection and fair treatment of minority shareholders. In addition, TSXV Policy 5.9 incorporates MI 61-101 as a policy of the TSXV, thereby requiring issuers listed on the TSXV to comply with MI 61-101.

Mr. Audet is considered an interested party with respect to the Arrangement and accordingly, all 7,190,700 Everton Shares controlled by Andre Audet will not be voted in respect to the Securities Exchange Resolution.

The Everton Board constituted an Independent Committee comprised of Michel Fontaine, Chair of the Independent Committee, Steven Mintz and Keith Stein to analyze the Arrangement.

MI 61-101 requires, subject to certain exemptions, that a formal valuation be obtained for a "related party transaction". Everton is exempt from the requirement to obtain a formal valuation with respect to the arrangement on the basis that the Everton Shares are listed on the TSXV.

As a result, Everton needs to obtain the approval of the majority of the minority of the Everton Shareholders with respect to the Securities Exchange Resolution

The Consolidation

If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to the completion of the Arrangement, the Everton Shares will be consolidated on the basis of a ratio of one (1) post-consolidation Resulting Issuer Share for each ten (10) pre-consolidation Everton Shares.

The Name Change

Everton is proposing to amend its articles to change its name to "Molecule Holdings Inc." or such other name as the Everton Board may in its discretion determine and as agreed by the Molecule Board in the event that the Arrangement is completed. See "*Name Change Resolution*".

The Preferred Shares

If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to giving effect to the Arrangement, the articles of Everton will be amended to create the Resulting Issuer Preferred Shares and the Everton Board, in its sole discretion, will issue to each Everton Shareholder, as a stock dividend, one Resulting Issuer Preferred Share for each Everton Share held on the Record Date (as defined herein).

The purpose of the creation of the Preferred Shares is to provide current Everton Shareholders with a right to receive, on a pro rata basis, an economic benefit, subject to an aggregate maximum of up to $500,000, in the event that any of the Everton mining royalties are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Resulting Issuer Preferred Shares. If triggered, the Resulting Issuer Preferred Shares would be redeemable, on a pro rata basis, for cash. The Resulting Issuer Preferred Shares would otherwise not have any rights or recourse. The Resulting Issuer Preferred Shares have not been and will not be registered under the U.S. Securities Act, and any Resulting Issuer Shares issuable to U.S. Everton Shareholders will be issued as "restricted securities" (as defined in Rule

144 under the U.S. Securities Act). Molecule Shareholders will not receive the Resulting Issuer Preferred Shares. See "*Preferred Share Resolution."*

Resulting Issuer Directors

Everton Shareholders will be asked to elect, conditional, and effective only in the event that the Arrangement is completed, the Resulting Issuer Board Nominees as directors of the Resulting Issuer. See "*Resulting Issuer Director Resolution*".

Stock Option Plan

Everton Shareholders will be asked to confirm, authorize, and approve the Stock Option Plan, which stock option plan will be the stock option plan of Everton in the event that the Arrangement is not effected and the stock option plan of the Resulting Issuer in the event that the Arrangement is effected. See "*Approval of the Stock Option Plan*".

Delisting from the TSXV

TSXV Policy 2.9 requires that in the event that an issuer voluntarily delists all or any class of its listed shares from the TSXV that the TSXV will require, amongst other things, the majority of the minority shareholder approval for the delisting application. Accordingly, the delisting of Everton from the TSXV must be approved by a simple majority of the Everton Shares cast by the Everton Shareholders, excluding those held by Promoters, directors, officers, or other Insiders of Everton. A total of 7,970,000 Everton Shares will be excluded from such vote, specifically Everton Shares controlled by: Mr. Audet, being 7,190,700 Everton Shares; Mr. Fontaine, being 100,000 Everton Shares; Mr. Mintz, being 665,000 Everton Shares; and Mr. Stein, being 15,200 Everton Shares, will not be voted in respect to the Delisting Resolution.

As a result, Everton needs to obtain the approval of the majority of the minority of the Everton Shareholders with respect to the Delisting Resolution. See "*Delisting Resolution*".

Concurrent with the delisting of the Everton Shares from the TSXV, the Resulting Issuer Shares will be listed on the CSE. The Everton Shares will be delisted from the TSXV prior to the closing of the Transaction.

Molecule Shareholder Approval of Arrangement

The Arrangement is subject to the approval by way of a special resolution (the "**Molecule Resolution**") requiring the approval of not less than $66^{2/3}$% of the votes cast by Molecule Shareholders present in person or represented by proxy at the special meeting of the Molecule Shareholders (the "**Molecule Meeting**"). **In the event that the Molecule Shareholders do not approve the Molecule Resolution, the Arrangement will not proceed.**

Court Approval of the Arrangement

Pursuant to the provisions of the OBCA, the Arrangement requires approval by the Court.

Molecule will obtain an interim order granted by the Court with respect to the Arrangement, which will provide for the calling and holding of the Molecule Meeting, and certain other procedural matters (the "**Interim Order**"). Subject to the terms of the Arrangement Agreement, and if the Molecule Resolution is approved at the Molecule Meeting in the manner required by the Interim Order, Molecule will re-attend before the Court for the issuance of the final order of the Court pursuant to Section 182 of the OBCA

approving the Arrangement, as such order may be amended by the Court at any time prior to the date shown on the Certificate of Arrangement of the Resulting Issuer in respect of the Arrangement (the "**Effective Date")** or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal (the "**Final Order**").

The Court has broad discretion under the OBCA when making orders with respect to the Arrangement and the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms.

See *"The Arrangement and The Securities Exchange Resolution – Court Approvals"*.

Procedure for Exchange of Everton Shares for Resulting Issuer Shares

Everton Shares

Computershare Trust Company of Canada is acting as the depositary (the "**Depositary**") for the Everton Shares to be exchanged for Resulting Issuer Shares upon completion of the Arrangement. Enclosed in the Circular is an accompanying letter of transmittal (the "**Letter of Transmittal**") to be delivered by Everton to the Everton Shareholders providing for the delivery of the Everton Shares to the Depositary along with certificates or DRS Statements representing Everton Shares to be exchanged for Resulting Issuer Shares.

The Letter of Transmittal is for use by registered Everton Shareholders ("**Registered Everton Shareholders**") only and is not to be used by non-registered Everton Shareholders ("**Non-Registered Everton Shareholders**"). Non-Registered Everton Shareholders should contact their broker or other financial intermediary for instructions and assistance in receiving the Resulting Issuer Shares.

Registered Everton Shareholders are requested to tender to the Depositary any certificates or DRS Statements representing their Everton Shares along with the properly completed Letter of Transmittal. As soon as practicable after the Effective Date, the Depositary will forward to each Registered Everton Shareholder that submitted a properly completed Letter of Transmittal to the Depositary, together with the certificate(s) or DRS Statement(s) representing the Everton Shares held by such Everton Shareholder immediately prior to the Effective Date, DRS Statements representing the same number of Resulting Issuer Shares as the number of Everton Shares held prior to the Arrangement. DRS Statements representing the Resulting Issuer Shares will be registered in such name or names as directed in the Letter of Transmittal and will be either (i) delivered to the address or addresses as such Everton Shareholder directed in their Letter of Transmittal; or (ii) made available for pick up at the offices of the Depositary in accordance with the instructions of the Everton Shareholder in the Letter of Transmittal.

See *"Procedure for Exchange of Everton Shares"*.

Conditions to the Arrangement Becoming Effective

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived, at or before 12:01 a.m. (Toronto Time) on the Effective Date, or such other time on the Effective Date as Everton and Molecule may agree to in writing before the Effective Date (the "**Effective Time**"):

1. Mutual conditions precedent that may be waived by either Molecule or Everton (for whose benefit such condition is made) in whole or in part without prejudice to such party's right to rely on any other condition:

(a) the Arrangement will have been approved and adopted by Molecule Shareholders at the Molecule Meeting and by the Everton Shareholders at the Everton Meeting by special resolution (a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution) in accordance with the Interim Order and the Arrangement will have otherwise been approved and adopted by the requisite majorities of persons entitled or required to vote thereon as determined by the Court;

(b) Everton will have obtained and provided proof to Molecule of the approval of this Arrangement, the Name Change and the Consolidation;

(c) the Interim Order and Final Order will have been obtained from the Court in the manner contemplated under the Arrangement Agreement;

(d) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, necessary or desirable for the completion of the transactions provided for in the Arrangement Agreement and the Plan of Arrangement will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances;

(e) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement and the Arrangement;

(f) Molecule and Everton will have received advice of tax counsel confirming the Canadian and United States tax consequences of the Arrangement Agreement and to be described in the information circular of Molecule with respect to the Arrangement and this Circular, respectively;

(g) none of the consents, orders, regulations or approvals contemplated in the Arrangement Agreement will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties, acting reasonably;

(h) the issuances of Resulting Issuer Shares contemplated by the Arrangement will have been approved by all necessary corporate action to permit such securities to be issued, if applicable, as fully paid and non-assessable shares and will be exempt from the registration requirements of the U.S. Securities Act and the prospectus requirements of applicable securities laws in each of the Provinces of Canada in which holders of Molecule Shares are resident;

(i) the Arrangement Agreement will not have been terminated under Article 6 of the Arrangement Agreement; and

(j) the articles of arrangement of Molecule in respect of the Arrangement, will have been accepted for filing by a director appointed pursuant to Section 278 of the OBCA.

2. Conditions to the obligations of Molecule, which may be waived in whole or in part by Molecule without prejudice to its right to rely on any other condition in favour of Molecule:

(a) the satisfactory completion of due diligence by Molecule, its counsel and representatives on the business, assets, financial condition, and corporate records of Everton, which due diligence process being concluded on or before the Effective Date;

(b) Everton will not have disposed of a material interest in any of its assets or otherwise entered into any material transaction with, or incurred any material liability to, any other corporation or other person or performed any act or entered into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in the Arrangement Agreement, without the prior written consent of Molecule thereto, such consent not to be unreasonably withheld;

(c) there having been no material adverse change in the business, results of operations, assets, liabilities, financial condition or affairs of Everton, financial or otherwise, between July 8, 2019 and the Effective Date, except for a reasonable decrease in Everton's working capital position as may be reasonably necessary to facilitate the Transaction and to meet its customary obligations as a listed issuer on the TSXV and as a "reporting issuer" in British Columbia, Alberta, Ontario and Quebec;

(d) Everton Shareholders will have approved and Everton will have completed this Arrangement, the Consolidation, the Name Change and the Articles Amendment;

(e) Everton will have fulfilled or complied in all material respects with each of the covenants of Everton contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time;

(f) the representations and warranties of Everton in the Arrangement Agreement being true and correct at the Effective Time with the same force and effect as if made at and as of such time except for representations and warranties made as of a specified time, the accuracy of which will be determined as of such specified time;

(g) the absence of any material adverse effect on the financial and operational condition or the assets of Everton;

(h) the Resulting Issuer Shares issued as consideration for the Molecule Shares being issued as fully paid and non-assessable common shares in the capital of the Resulting Issuer, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature, except those imposed pursuant to the escrow restrictions of the CSE and those arising under applicable securities laws if applicable;

(i) if required, the delivery at the Effective Time of a legal opinion delivered by McMillan LLP, legal counsel to Everton, to Molecule in relation to the proposed business combination of Everton and Molecule (the "**Business Combination**");

(j) there being no legal proceeding or regulatory actions or proceedings against Everton at the Effective Date which may have a material adverse effect on Everton, its business, assets or financial condition;

(k) there being no other issued and outstanding securities in the capital of Everton other than as disclosed in the Arrangement Agreement;

(l) there being no prohibition at law against the completion of the Business Combination; and

(m) there being no inquiry or investigation (whether formal or informal) in relation to Everton or its directors or officers, having been commenced or threatened by any securities

commission or official of the TSXV or any securities regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Everton, its business, assets or financial condition.

3. Conditions to the obligations of Everton, which may be waived in whole or in part by Everton without prejudice to its right to rely on any other condition in favour of Everton:

(a) no material adverse change will have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Molecule, financial or otherwise, between July 8, 2019 and the Effective Date;

(b) satisfactory completion of due diligence by Everton, its counsel and representatives on the business, assets, financial condition, and corporate records of Molecule, which due diligence process being concluded on or before the Effective Date;

(c) Molecule will have fulfilled or complied in all material respects with each of the covenants of Molecule contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time;

(d) the representations and warranties of Molecule as set out in the Arrangement Agreement being true and correct at the Effective Time with the same force and effect as if made at and as of such time in each case except for representations and warranties made as of a specified time, the accuracy of which will be determined as of such specified time;

(e) there being no legal proceeding or regulatory actions or proceedings against Molecule at the Effective Date which may have a material adverse effect on Molecule, its business, assets or financial condition;

(f) there being no prohibition at law against the completion of the Business Combination;

(g) the completion of the listing of the Resulting Issuer Shares on the CSE;

(h) Molecule completing the Molecule Private Placement for minimum proceeds of $2,000,000;

(i) there being no inquiry or investigation (whether formal or informal) in relation to Molecule or its directors or officers commenced or threatened by any securities commission or official of the TSXV or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Molecule, its business, assets or financial condition;

(j) if required, Molecule providing a legal opinion of its counsel to Everton in relation to the Business Combination and the transaction documents satisfactory to Everton and its counsel, acting reasonably; and

(k) there being no other issued and outstanding securities in the capital of Molecule other than as disclosed in the Arrangement Agreement or otherwise approved by Everton in advance of the issuance thereof.

(l)

4. Condition obligations of each party:

    (a) the obligation of each party to complete the transactions contemplated by the Arrangement Agreement is further subject to the condition, which may be waived by such party without prejudice to its right to rely on any other condition in favour of such party, that the covenants of the other parties contained in the Arrangement Agreement be performed on or before the Effective Date pursuant to the terms of the Arrangement Agreement will have been duly performed by each of them in all material respects and that, except as affected by the transactions contemplated by the Arrangement Agreement or otherwise agreed by the parties, the representations and warranties of the other parties will be true and correct in all material respects as at the Effective Time, with the same effect as if such representations and warranties had been made at, and as of such time and each such party will have received a certificate, dated the Effective Date, of a senior officer of each other party confirming the same.

See *"The Arrangement Agreement – Conditions Precedent to the Arrangement"*.

Termination

The Arrangement Agreement may be terminated prior to the Effective Date in the following circumstances:

(a) by the mutual agreement of Molecule and Everton without further action on the part of the Molecule Shareholders or the Everton Shareholders;

(b) by either Molecule and Everton, at the discretion of their respective independent directors, if there will occur any adverse material change, as reasonably determined by the respective independent directors, in or with respect to the assets, liabilities (actual or contingent), capital, operations, business or undertaking of the other party;

(c) by either Molecule and Everton if the other party breaches a material term of the Arrangement Agreement and such breach is not waived or, if capable of being cured, cured within a period of 15 business days from the date of written notice of such breach;

(d) by either Molecule and Everton if certain of the conditions precedent set forth in Section 5 of the Arrangement Agreement are not satisfied or waived on or before April 30, 2020 (or such other date as agreed to by the parties), except that the right to terminate the Arrangement Agreement will not be available to a party whose failure to perform any of its covenants or agreements has been the primary cause of, or resulted in, the failure of the conditions precedent to be satisfied by such date; or

(e) upon the earliest to occur of: (1) the Everton Shareholders failing to approve the Consolidation, the Name Change and the Articles Amendment, (2) the Molecule Shareholders failing to approve the Arrangement, or (3) a final determination from the Court or an appeal court that denies the granting of the Final Order; provided, however, that nothing in subsection 6.2(e) of the Arrangement Agreement will extend the termination date of the Arrangement Agreement past April 30, 2020 without the mutual consent of Molecule and Everton.

See *"The Arrangement Agreement – Termination"*.

Risk Factors

In evaluating the Transaction and the other matters which Everton Shareholders are being asked to consider, Everton Shareholders should carefully consider the risk factors (which are not an exhaustive list of potentially relevant risk factors) set out under the heading *"Risk Factors"*. Additional risks and uncertainties, including those currently unknown to or considered not to be material by Everton or Molecule, may also adversely affect the business of the Resulting Issuer or any one or more of Everton, Molecule and the Resulting Issuer.

Income Tax Considerations

Everton Shareholders should consult their own tax advisors about the applicable Canadian or U.S. federal, provincial, state and local tax, and other foreign tax, consequences of the Arrangement.

See *"Principal Canadian Federal Income Tax Considerations"*.

Canadian Securities Laws

Each Everton Shareholder is urged to consult such Everton Shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Everton Shares and the Resulting Issuer Shares.

Listing of Resulting Issuer Shares

Everton is a reporting issuer in British Columbia, Quebec, Alberta and Ontario. The Everton Shares currently trade on the TSXV. Subject to completion of the Arrangement and the approval by the Everton Shareholders of the Delisting Resolution, and the approval of the CSE, the Resulting Issuer Shares will be listed on the CSE and the Resulting Issuer will be a reporting issuer in British Columbia, Quebec, Alberta and Ontario. There can be no assurance as to if, or when, the Resulting Issuer Shares will be listed or traded on the CSE. It is a mutual condition of the Arrangement Agreement that the CSE shall have conditionally approved the listing of the Resulting Issuer Shares to be issued pursuant to the Arrangement, including any Resulting Issuer Shares issuable upon the exercise of any Resulting Issuer Options or Resulting Issuer Warrants.

The Preferred Shares will not be listed on the TSXV or the CSE and it is not anticipated that there will be a market for the Preferred Shares.

Each Everton Shareholder is urged to consult such Everton Shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Resulting Issuer Shares as a result of the Transaction. **All Everton Shareholders residing outside Canada are advised to consult their own legal advisors regarding such resale restrictions.**

See *"Regulatory and Securities Law Matters – Canadian Securities Laws"*.

U.S. Securities Laws

A general overview of certain requirements of U.S. Securities Laws that may be applicable to Everton Shareholders is set out in *"Regulatory and Securities Law Matters – U.S. Securities Laws"*. All Everton Shareholders are urged to obtain legal advice to ensure that their resale of Everton Shares complies with applicable U.S. Securities Laws. Further information applicable to the holders of such securities resident in the U.S. is disclosed under the heading *"Regulatory and Securities Law Matters – U.S. Securities Laws"*.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Everton for use at the Everton Meeting, to be held on April 6, 2020 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and employees of Everton for no additional compensation.

Voting Options

Voting by Registered Everton Shareholder

You are a Registered Everton Shareholder if your Everton Shares are held in your name or if you have a certificate or DRS Statement for Everton Shares. As a Registered Everton Shareholder you can vote in the following ways:

In Person	Attend the Everton Meeting and register with Everton's transfer agent, Computershare Trust Company of Canada, upon your arrival. Do not fill out and return your proxy if you intend to vote in person at the Everton Meeting.
Mail	Enter voting instructions, sign the form of proxy and send your completed form to: 100 University Ave., 8th Floor, Toronto, Ontario M5J 2Y1
Internet	Go to www.investorvote.com. Enter your 12-digit control number printed on the form of proxy and follow the instructions on the website to vote your Everton Shares.
Questions?	Contact 1-800-564-6253

Voting for Non-Registered Everton Shareholders

If your Everton Shares are not registered in your own name, they will be held in the name of a "nominee", usually a bank, trust company, securities dealer or other financial institution (an "**Intermediary**") and, as such, your nominee will be the entity legally entitled to vote your Everton Shares and must seek your instructions as to how to vote your Everton Shares.

Accordingly, Non-Registered Everton Holders who have not waived the right to receive the Notice of Meeting, Circular, and form of Everton Proxy will either:

(a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Everton Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**VIF**") which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge typically prepares a machine-readable VIF, mails those forms to Non-Registered Everton Shareholders and asks Non-Registered Everton Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Additionally,

Everton may utilize Broadridge's QuickVoteTM service to assist eligible Everton Shareholders with voting their Everton Shares over the phone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Everton Shares to be represented at the Everton Meeting. Sometimes, instead of the one-page pre-printed form, the VIF will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Everton Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Everton Shares beneficially owned by the Non-Registered Everton Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Everton Shareholder when submitting the proxy. In this case, the Non-Registered Everton Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Trust Company of Canada.

In either case, the purpose of these procedures is to permit a Non-Registered Everton Shareholder to direct the voting of their Everton Shares. Should a Non-Registered Everton Shareholder who receives either a VIF or a form of Everton Proxy wish to attend the Everton Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Everton Shareholder), the Non-Registered Everton Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Everton Shareholder (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Everton Shareholder should carefully follow the instructions of their intermediaries and their service companies, including those regarding when and where the VIF or the Everton Proxy is to be delivered.** Please register with the transfer agent, Computershare Trust Company of Canada, upon arrival at the Everton Meeting.

The Notice of Meeting and this Circular are being sent to both registered and Non-Registered Everton Shareholders and to non-objecting beneficial owners under National Instrument 54-101 *Communication of Beneficial Owners of Securities in a Reporting Issuer* ("**NI 54-101**"). Management of Everton does not intend to pay for Intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to objecting Non-Registered Everton Shareholders and that in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery. Please carefully review and return your voting instructions as specified in the request for VIF or form of Everton Proxy.

If you have any questions or require more information with respect to voting your Everton Shares at the Everton Meeting, please contact us by telephone at 1-800-564-6253 or by e-mail at corporateactions@computershare.com.

How a Vote is Passed

The quorum for the transaction of business at the Everton Meeting shall be constituted by the attendance of two or more Everton Shareholders, present in person or represented by proxy, holding at least 10% of the votes attached to outstanding voting Everton Shares.

Who can Vote?

If you were a Registered Everton Shareholder as of the close of business on the Record Date, being February 7, 2020, you are entitled to attend the Everton Meeting and cast one vote for each Everton Share registered in your name on all resolutions put before the Everton Meeting. If your Everton Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer's authority should be presented at the Everton Meeting. If you are a Registered Everton Shareholder but do not wish to, or cannot, attend the Everton Meeting in person you can appoint someone who will attend the Everton Meeting and act as your proxyholder to vote in accordance with your instructions. If your Everton Shares are registered in the name of an Intermediary, you should refer to the section entitled "*Voting for Non-Registered Everton Shareholders*" set out above.

It is important that your Everton Shares be represented at the Everton Meeting regardless of the number of Everton Shares you hold. If you will not be attending the Everton Meeting in person, we invite you to complete, date, sign and return your form of Everton Proxy as soon as possible so that your Everton Shares will be represented.

Appointment of Proxies

If you do not come to the Everton Meeting, you can still make your vote(s) count by appointing someone who will be there to act as your proxyholder at the Everton Meeting. You can appoint the persons named in the enclosed form of Everton Proxy, who are executive officers of Everton. Alternatively, you can appoint any other person or entity (who need not be a Everton Shareholder) other than the persons designated on the enclosed form of Everton Proxy to attend the Everton Meeting and act on your behalf. Regardless of who you appoint as your proxyholder, you can either instruct that person or company how you want to vote or you can let him or her decide for you. You can do this by completing a form of Everton Proxy. In order to be valid, you must return the completed form of Everton Proxy 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Everton Meeting to Computershare Trust Company of Canada at 100 University Ave. 8th Floor, Toronto, On, M5J 2Y1.

Instructing your Everton Proxy and Exercise of Discretion by your Everton Proxy

You may indicate on your form of Everton Proxy how you wish your proxyholder to vote your Everton Shares. To do this, simply mark the appropriate boxes on the form of Everton Proxy. If you do this, your proxyholder must vote your Everton Shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Everton Meeting, your proxyholder can vote your Everton Shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your Everton Shares at the Everton Meeting as follows:

- ✓ **FOR the appointment of the Auditor;**
- ✓ **FOR the Everton Directors Resolution;**
- ✓ **FOR the Securities Exchange Resolution;**
- ✓ **FOR the Consolidation Resolution;**
- ✓ **FOR the Name Change Resolution;**
- ✓ **FOR the Preferred Share Resolution;**
- ✓ **FOR the Resulting Issuer Director Resolution**
- ✓ **FOR the Stock Option Plan Resolution.; and**
- ✓ **FOR the Delisting Resolution.**

Further details about these matters are set out in this Circular. The enclosed form of Everton Proxy gives the persons named on the form the authority to use their discretion in voting on amendments or variations to matters identified on the Notice of Meeting. At the time of printing this Circular, the management of Everton is not aware of any other matter to be presented for action at the Everton Meeting. If, however, other matters do properly come before the Everton Meeting, the persons named on the enclosed form of Everton Proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing your mind

If you want to revoke your Everton Proxy after you have delivered it, you can do so at any time before it is used. You may do this by: (i) attending the Everton Meeting and voting in person if you were a Registered Everton Shareholder at the Record Date; (ii) signing an Everton Proxy bearing a later date and depositing it in the manner and within the time described above under the heading "*Appointment of Proxies*"; or (iii) signing a written statement which indicates, clearly, that you want to revoke your Everton Proxy and delivering this signed written statement to the registered office of the Transfer Agent at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or (iv) in any other manner permitted by law.

Your Everton Proxy will only be revoked if a revocation is received by 5:00 p.m. (Toronto time) on the last Business Day before the day of the Everton Meeting, or delivered to the person presiding at the Everton Meeting before it commences. If you revoke your Everton Proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your Everton Shares, but to do so you must attend the Everton Meeting in person.

Voting Securities and Principal Holders

The authorized capital of Everton consists of an unlimited number of Everton Shares. Each Everton Shareholder is entitled to one vote for each Everton Share registered in his or her name at the close of business on February 7, 2020, the date fixed by the directors as the Record Date for determining who is entitled to receive notice of and to vote at the Everton Meeting.

At the close of business on February 7, 2020, there were 93,134,470 Everton Shares issued and outstanding. As at the date hereof, to the knowledge of the directors and executive officers of Everton, as at March 4, 2020, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of Everton.

PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of Everton for the financial year ended October 31, 2019, and the auditor's report thereon and the financial year ended October 31, 2018 and the auditor's report thereon will be placed before Everton Shareholders at the Everton Meeting but no vote with respect thereto is required.

The audited financial statements of Everton for the financial year ended October 31, 2019 and the corresponding management discussion and analysis are attached as Schedule "A" hereto.

APPOINTMENT OF AUDITORS AND TO FIX RENUMERATION OF THE AUDITORS

Since June 20, 2017 DeVisser Gray LLP was appointed as auditors of Everton. Prior thereto McGovern Hurley LLP served as auditors of Everton.

At the Everton Meeting, Everton Shareholders will be asked to vote on the following ordinary resolution:

"**BE IT RESOLVED THAT BY ORDINARY RESOLUTION** DeVisser Gray LLP be appointed as auditors of Everton until the close of the next annual and general meeting of Everton and that the board of directors of Everton is hereby authorized to fix the remuneration of the auditors."

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" the preceding resolution.

ELECTION OF DIRECTORS

The by-laws of Everton provide that the members of the Everton Board are elected annually. Each director holds office until the next annual and general meeting of Everton Shareholders or until his or her successor is elected or appointed.

At the Everton Meeting, Everton Shareholders will be asked to vote on an ordinary resolution to elect the nominees for the Everton Board, being André Audet, Michel Fontaine, Keith Stein, and Steven Mintz as the directors of Everton.

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" each of the nominee directors to be elected as directors of Everton.

You can vote for the election of all the candidates referenced above, vote for the election of some of them, and withhold from voting for others, or withhold from voting for all of them.

Each of the nominees have been members of the Everton Board since the dates indicated hereinafter. Management does not contemplate that any nominee will be unable or unwilling to serve as a director. It is anticipated that each nominee, once elected, will hold office until the closing of the Arrangement, when each of Michel Fontaine, Keith Stein, and Steven Mintz will resign as directors and Philip Waddington,

Amy Proulx, Lindsay Weatherdon and David Reingold will be elected as directors of the Resulting Issuer. At completion of the Arrangement, André Audet will remain a director of the Resulting Issuer.

Set out below are the names of all individuals proposed to be nominated by the management of Everton as directors of Everton together with related information:

Name	Director since	Office held	Number of Everton Shares controlled[3]	Present occupation
André Audet Ottawa, ON	November 2002	Chairman of the Everton Board and Chief Executive Officer	7,190,700	Chairman and Chief Executive Officer of the Corporation
Steven Mintz[1][2] Toronto, ON	May 27, 2013	Director	665,000	Consultant
Keith Stein [1][2] Toronto, ON	May 27, 2013	Director	15,200	Counsel at Dentons Canada LLP
Michel Fontaine [1] Ste-Julie, QC	August 15, 2016	Director	100,000	President and CEO of Windfall Geotek Inc. Inc.

Notes:

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) On a pre-Consolidation basis.

Corporate Cease Trade Orders, Bankruptcy, and Penalties

To the knowledge of Everton, none of the foregoing nominees for election as a director of Everton:

(a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company;

(b) or is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets; or

To the knowledge of Everton, none of the nominees for election as directors of Everton have been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation of Executive Officers

Interpretation

For the purposes of this section, "named executive officer" ("**NEO**") means:

(a) a Chief Executive Officer;

(b) a Chief Financial Officer;

(c) each of the three most highly compensated executive officers of Everton, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of Everton, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are André Audet, Chairman of the Everton Board and Chief Executive Officer, Brendan Stutt, Chief Financial Officer and Lucie Letellier, former Chief Financial Officer (resigned effective February 28, 2019).

Compensation Program Objectives

Everton's process with respect to executive compensation is not based on any formal criteria or analysis, however, in determining compensation, Everton's compensation committee (the "**Compensation Committee**") ensures that compensation is internally equitable. When determining the compensation of the NEO's, the Everton Board takes into account the limited resources of Everton and certain general principles including: to attract, retain and motivate talented executives who create and sustain Everton's continued success, to align the interests of Everton's executives with the interests of Everton Shareholders, and to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

Purpose of the Compensation Program

Everton's executive compensation program has been designed to reward executives for reinforcing Everton's business objectives and values, for achieving Everton's performance objectives and for their individual performances.

Elements of Compensation Program

The executive compensation program consists of a combination of base salary, performance bonus, and stock option incentives.

Purpose of Each of the Executive Compensation Programs

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed base salary, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Awards under this plan are made by way of cash payments only, which payment are typically made during the first calendar quarter following the end of a fiscal year.

Everton Options are generally awarded to NEOs on an annual basis. The granting of Everton Options upon hire aligns NEOs' rewards with an increase in Everton Shareholder value over the long term. The use of Everton Options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in Everton's performance and in the value of Everton Shareholders' investments.

Determination of the Amount of Each Element of the Executive Compensation Program

Intervention of the Everton Board

Compensation of the NEOs of Everton is reviewed annually by the Everton Board.

Base Salary

The base salary and/or compensation of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary and/or compensation of the NEOs of Everton, is reviewed annually by the Compensation Committee. The Compensation Committee then makes its recommendations to the Everton Board. The Everton Board approves the base salary and/or compensation of each NEO based on the recommendations of the Compensation Committee.

The base salary and/or compensation are based on the executive officer's personal performance and expertise, contribution to the business of Everton and the stage of development of Everton.

Performance Bonuses

The Compensation Committee may, from time to time, exercise its discretion to recommend to the Everton Board to allow that a bonus be paid based on the overall performance of Everton, exceptional market conditions or when exceptional strategic achievements that could increase the value of Everton are realized during the year. The bonus is not based on known or measured corporate or individual performance objectives.

Stock Options

Everton has established the Stock Option Plan under which Everton Options are granted to Everton Directors, officers, employees, and consultants as an incentive to serve Everton in attaining its goal of improved Everton Shareholder value. The Everton Board determines which NEOs (and other persons) are entitled to participate in the Stock Option Plan, determines the number of Everton Options granted to such individuals, and determines the date on which each Everton Option is granted and the corresponding exercise price.

The Everton Board makes these determinations subject to the provisions of the existing Stock Option Plan and, where applicable, the policies of the TSXV.

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the performance bonuses and granting of Everton Options, has been designed to provide total compensation which the Everton Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Summary Compensation Table

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards (1) ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other Compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
André Audet,	2019	75,000	-	-	-	-	-	-	75,000
President and	2018	120,000	-	-	-	-	-	-	120,000
Chief	2017	120,000	-	-	-	-	-	-	120,000

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards (1) ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other Compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Executive Officer									
Brendan Stutt, Chief Financial Officer(2)	2019	40,000	-	-	-	-	-	-	40,000
Lucie Letellier, former Chief Financial Officer(2)(3)	2019 2018 2017	18,000 54,000 35,000	- - -	- - 13,520	- - -	- - -	- - -	- - -	18,000 54,000 48,520
Sabino Di Paola, former Chief Financial Officer(3)	2017	14,000	-	-	-	-	-	-	14,000

(1) Fair value at the time of grant is calculated using the Black-Scholes option pricing model.
(2) Mrs. Lucie Letellier resigned as Chief Financial Officer on February 28, 2019 and was replaced by Mr. Brendan Stutt.
(3) Mr. Sabino Di Paola, former Chief Financial Officer, resigned on March 1, 2017 and was replaced by Mrs. Lucie Letellier.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following tables set forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial years to the NEOs.

2019							
	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market payout value of vested share-based awards not paid out or distributed ($)
André Audet, President and Chief Executive Officer	500,000	0.05	April 14, 2021	-	-	-	-
	1,500,000	0.13	August 15, 2021	-	-	-	-

2019							
	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market payout value of vested share-based awards not paid out or distributed ($)
Brendan Stutt, Chief Financial Officer	-	-	-	-	-	-	-
Lucie Letellier, former Chief Financial Officer	200,000	0.07	February 24, 2022	-	-	-	-

2018							
	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options (1) ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market payout value of vested share-based awards not paid out or distributed ($)
André Audet, President and Chief Executive Officer	500,000	0.20	March 11, 2019	-	-	-	-
	500,000	0.05	April 14, 2021	-	-	-	-
	1,500,000	0.13	August 15, 2021	-	-	-	-
Lucie Letellier, former Chief Financial Officer	200,000	0.07	February 24, 2022	-	-	-	-

2018							
	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options (1) ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market payout value of vested share-based awards not paid out or distributed ($)
Sabino Di Paola, former Chief Financial Officer	40,000	0.20	March 11, 2019	-	-	-	-
	75,000	0.05	April 14, 2021	-	-	-	-
	200,000	0.13	August 15, 2021	-	-	-	-

(1) Based on a closing price of $0.03 per Everton Share on October 31, 2018.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Years

The following tables present information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial years.

2019			
Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
André Audet	-	-	-
Brendan Stutt	-	-	-
Lucie Letellier	-	-	-
2018			
Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
André Audet	-	-	-
Lucie Letellier	-	-	-

Pension Plan Benefits

Everton does not have a pension plan or other similar plan.

Termination and Change of Control Benefits

During the most recently completed financial year there were no employment contracts, agreements, plans, or arrangements for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of Everton, or a change in a NEO's responsibilities.

Director's Compensation

The compensation of the Everton Directors is determined by the Compensation Committee.

Director's Compensation Table

The following tables set forth information with respect to all amounts of compensation provided to the Everton Directors for the most recently completed financial years.

2019							
Name	**Fees earned ($)**	**Share-based awards ($)**	**Option-based awards ($)**	**Non-equity incentive plan compensation ($)**	**Pension value ($)**	**All other compensation ($)**	**Total ($)**
Keith Stein	-	-	-	-	-	-	-
Steven Mintz	-	-	-	-	-	-	-
Michel Fontaine	-	-	-	-	-	-	-
2018							
Name	**Fees earned ($)**	**Share-based awards ($)**	**Option-based awards ($)**	**Non-equity incentive plan compensation ($)**	**Pension value ($)**	**All other compensation ($)**	**Total ($)**
Salvador Brouwer[(1)]	1,283	-	-	-	-	-	1,283
Keith Stein	-	-	-	-	-	-	-
Steven Mintz	-	-	-	-	-	-	-
Michel Fontaine	-	-	-	-	-	-	-

(1) Salvador Brouwer resigned as a director of Everton on April 20, 2018.

Share-Based Awards, Option-Based Awards, and Non-Equity Incentive Plan Compensation

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following tables set forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial years to the Everton Directors who are not NEOs.

2019							
	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market payout value of vested share-based awards not paid out or distributed ($)
Keith Stein	100,000 200,000	0.05 0.13	April 14, 2021 August 15, 2021	- -	- -	- -	- -
Steven Mintz	100,000 200,000	0.05 0.13	April 14, 2021 August 15, 2021	- -	- -	- -	- -
Michel Fontaine	400,000	0.13	August 15, 2021	-	-	-	-

2018							
	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[(1)] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market payout value of vested share-based awards not paid out or distributed ($)
Salvador Brouwer	120,000 100,000 200,000	0.20 0.05 0.13	March 11, 2019 April 14, 2021 August 15, 2021	- - -	- - -	- - -	- - -

Keith Stein	120,000	0.20	March 11, 2019	-	-	-	-
	100,000	0.05	April 14, 2021	-	-	-	-
	200,000	0.13	August 15, 2021	-	-	-	-
Steven Mintz	120,000	0.20	March 11, 2019	-	-	-	-
	100,000	0.05	April 14, 2021	-	-	-	-
	200,000	0.13	August 15, 2021	-	-	-	-
Michel Fontaine	400,000	0.13	August 15, 2021	-	-	-	-

(1) Based on a closing price of $0.03 per Everton Share on October 31, 2018.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Years

The following tables present information concerning value vested with respect to option-based awards and share-based awards for the Everton Directors who are not NEOs during the most recently completed financial years.

2019			
Name	**Option-based awards – Value vested during the year ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Keith Stein	-	-	-
Steven Mintz	-	-	-
Michel Fontaine	-	-	-

2018			
Name	**Option-based awards – Value vested during the year ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Salvador Brouwer[(1)]	-	-	-
Keith Stein	-	-	-
Steven Mintz	-	-	-
Michel Fontaine	-	-	-

(1) Salvador Brouwer resigned as a director of Everton on April 20, 2018.

Directors' and Officers' Liability Insurance

Everton maintains liability insurance for the Everton Directors and officers acting in their respective capacities. The policy contains standard industry exclusions, and no claims have been made thereunder to date. The premium is $15,393 for coverage of $5,000,000 with following deductibles: $50,000 (Clause B), $100,000 (Clause C), and $150,000 (Clause D).

Composition of the Compensation Committee

The members of the Compensation Committee of Everton are Keith Stein and Steven Mintz. All such members are independent members of the Compensation Committee as such term is defined in *Regulation 52-110 Audit Committees* ("**NI 52-110**").

See "*Relevant Skills and Experience*" below, and in particular the biographies of each Compensation Committee member, for more information concerning each Compensation Committee member's education and experience.

Responsibilities, Powers, and Operation of the Compensation Committee

The purpose of the Compensation Committee is to assist the Everton Board in monitoring, reviewing and approving compensation policies and practices of Everton and administering Everton Share compensation plans. Its responsibilities include reviewing and making recommendations to the Everton Board with respect to the overall compensation strategy and policies for Everton Directors, officers, employees and consultants of Everton. The compensation committee has the sole authority to retain any compensation consultants to advise the Compensation Committee and to approve such consultants' fees and other retention terms.

Securities Authorized for Issuance Under Equity Compensation Plan

The following tables set out, as of the end of the most recently completed financial years, all required information with respect to compensation plans under which equity securities of Everton are authorized for issuance.

2019			
Plan Category	**Number of securities to be issued upon exercise of outstanding options**	**Weighted-average exercise price of outstanding options**	**Number of securities available for future issuance under equity compensation plans (excluding securities reflected in the first column of this chart)**
Equity compensation plans approved by security holders	3,300,000	0.11	6,013,447
Equity compensation plans not approved by security holders	-	-	-

2018			
Plan Category	**Number of securities to be issued upon exercise of outstanding options**	**Weighted-average exercise price of outstanding options**	**Number of securities available for future issuance under equity compensation plans (excluding securities reflected in the first column of this chart)**
Equity compensation plans approved by security holders	4,970,000	0.13	4,343,447
Equity compensation plans not approved by security holders	-	-	-

Stock Option Plan

The Stock Option Plan was adopted by the Everton Board in 2005 and last amended August 31, 2012. Pursuant to the Stock Option Plan:

(a) the number of Everton Shares which may be reserved under the Stock Option Plan is limited to 10% of the aggregate number of Everton Shares issued and outstanding, as the case may be. Consequently, the number of Everton Shares reserved under the Stock Option Plan could automatically increase or decrease as the number of issued and outstanding Everton Shares increases or decreases. This is known as a "rolling" stock option plan;

(b) the maximum number of Everton Shares which may be reserved for issuance in favour of a beneficiary, in any twelve (12) month period, is limited to 5% of the Everton Shares issued and outstanding;

(c) the maximum number of Everton Shares which may be reserved for issuance in favour of a consultant, in any twelve (12) month period, is limited to 2% of the Everton Shares issued and outstanding;

(d) the total number of Everton Shares which may be reserved for issuance to persons employed to provide investor relations activities may not exceed, in any twelve (12) month period, 2% of the Everton Shares issued and outstanding;

(e) the exercise price of Everton Options granted under the Stock Option Plan must not be less than the closing price of the day before the options are granted;

(f) Everton Options are exercisable for a maximum period of five (5) years;

(g) upon the optionee's ceasing to be an Everton Director, officer, employee or consultant of Everton, the Everton Options will expire twelve (12) months from the date of termination, subject to the Everton Option's date of expiration and thirty (30) days in the case of a person engaged in investor relations activities. If the cessation of office, directorship, consulting arrangement or employment is by reason of death, the Everton Option may be exercised up to twelve (12) months after such death, subject to the expiry date of such Everton Options;

(h) the Everton Options are non-assignable and not transferable; and

(i) the "rolling" Stock Option Plan must receive Everton Shareholder approval annually at the annual general meeting of the Everton Shareholders.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the fiscal year ended October 31, 2019 and the fiscal year ended October 31, 2018, and as at the date of this Circular, none of the Everton Directors, or the Resulting Issuer Board Nominees, executive officers, employees (or previous directors, executive officers, or employees of Everton), each proposed nominee for election as a director of Everton (or any associate of an Everton Director, executive officer or proposed nominee) was or is indebted to Everton with respect to the purchase of securities of Everton and for any other reason pursuant to a loan.

INTEREST OF MANAGEMENT AND OTHER MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of Everton or disclosed herein, none of the directors or executive officers of Everton, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Everton Shares, nor an associate or affiliate of any of the foregoing persons has had, during the most recently completed financial year of Everton or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect Everton.

AUDIT COMMITTEE

Everton is a "venture issuer" as defined under NI 52-110 and each venture issuer is required to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Audit Committee's Charter

A copy of Everton's Audit Committee Charter is attached as Schedule "D" hereto. The Audit Committee Charter (the "**Charter**") was adopted by the Everton Board and governs the actions and decisions of the Audit Committee.

Composition of the Audit Committee

The current Audit Committee members are Steven Mintz, Keith Stein, and Michel Fontaine. All Audit Committee members are "independent" and "financially literate" within the meaning of NI 52-110.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with Everton. A material relationship means a relationship which could, in the Everton Board's reasonable opinion, interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by Everton.

Relevant Education and Experience

Each member of the Everton's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

(a) an understanding of the accounting principles used by Everton to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and provisions;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Everton's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Relevant Skills and Experience

Keith Stein is a graduate of Osgoode Hall Law School who was called to the bar in 1989. He has taught at the Law Society of Upper Canada and York University. He joined Dentons LLP as Counsel in 2014 after serving as counsel at Heenan Blaikie LLP in Toronto from 2008 to February 2014. From 1994 to 2008, he was a senior executive with Magna International Inc. and continued to act as a consultant until November 2010. Prior to becoming a consultant, Mr. Stein held the position of Senior Vice-President of Corporate Affairs at Magna International and, before joining Magna, he was Senior Corporate Counsel for Toyota Canada and Toyota Credit Canada.

Steven Mintz is a graduate of the University of Toronto who went into public accounting for a large accounting firm from 1989 until 1992. He obtained his C.A. designation in June of 1992 and his Trustee in Bankruptcy license in 1995. In 1999, Mr. Mintz began working on tax and investment strategies with clients and has been working extensively on successful strategies ever since.

Michel Fontaine is an independent director of Everton and a member of the audit committee. Mr. Fontaine is currently President and CEO and director of Windfall Geotek Inc. (TSXV: AIIM). Previously, Mr. Fontaine held a position of Vice-President–Business Development of Diagnos Inc (TSXV: ADK), a software company using Artificial Intelligence (AI) in the mining sector. Before working as a broker at a major Canadian securities firm, he worked in the mining sector in Vancouver. Michel is also on the board of the Quebec Mineral Exploration Association (AEMQ) and Metanor Resources (TSXV: MTO).

Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of Everton was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Everton Directors.

Reliance on Certain Exemptions

At no time since the commencement of Everton's financial year ended October 31, 2018 has Everton relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter attached hereto as Schedule "D".

External Auditor Service Fees

The aggregate fees billed by Everton's external auditors in each of the last three fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
October 31, 2019	8,000	-	-	4,100
October 31, 2018	8,000	3,300	1,000	-
October 31, 2017	20,000	-	1,850	-

Exemption

Everton is a "venture issuer" as defined in NI 52-110 and is relying on the exemptions in Part 6.1 (*Reporting Obligations*) of NI 52-110 and is not required to comply with Part 3 and Part 5 of NI 52-110.

DIVERSITY

The Everton Board does not have a nominating committee. The current size and composition of the Everton Board allows the entire Everton Board to take the responsibility for finding and nominating new directors, taking into consideration the competencies, skills, experiences, and ability to devote the required time.

Everton has not adopted term limits for its directors or other mechanisms of Everton Board renewal. Everton is aware of the positive impacts of bringing new perspectives to the Everton Board, and therefore does occasionally add new members; however, it values continuity on the Everton Board and the in-depth knowledge of Everton held by those members who have a long-standing relationship with Everton.

Everton does not currently have a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities or members of visible minorities as directors. Historically, Everton has not felt that such a policy was needed. However, Everton is currently considering the adoption of such a policy.

When the Everton Board selects candidates for executive or senior management positions or for director positions, it considers not only the qualifications, personal qualities, business background and experience

of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing Everton's management or Board, as the case may be to perform efficiently and act in the best interest of Everton and its shareholders. Everton is aware of the benefits of diversity at the executive and senior management levels and on the Everton Board, and therefore the level of representation of women, Aboriginal peoples, persons with disabilities and members of visible minorities is one factor taken into consideration during the search process for executive and senior management positions or for directors.

Everton has not adopted a "target" number or percentage regarding women, Aboriginal peoples, persons with disabilities or members of visible minorities on the Everton Board or in executive or senior management positions. Everton considers candidates based on their qualifications, personal qualities, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates.

There are at present no women, Aboriginal peoples, persons with disabilities or members of visible minorities on the Everton Board or as executive officers of Everton.

THE ARRANGEMENT AND THE SECURITIES EXCHANGE RESOLUTION

Principal Steps of the Arrangement

Under the Plan of Arrangement, the following shall occur and shall be deemed to occur sequentially in five (5) minute intervals (unless otherwise provided) without any further act or formality on the part of any Person, except as expressly provided herein:

(a) each Molecule Share held by Molecule Shareholders who have exercised Molecule Dissent Rights (provided the right of such Molecule Shareholder to dissent with respect to such Molecule Shares has not been terminated or ceased to apply to such Molecule Shareholder) will be deemed to have been transferred by such Molecule Dissenting Shareholder to Molecule without any further act or formality on the part of such Molecule Dissenting Shareholders, free and clear of all liens, claims and encumbrances, and each Molecule Dissenting Shareholder will cease to have any rights as a Molecule Shareholder other than the right to be paid the fair value of its Molecule Shares in accordance with Article 4 of the Plan of Arrangement;

(b) at the time of the step contemplated in Section 3.3(a) of the Plan of Arrangement, with respect to the Molecule Shares transferred pursuant to Section 3.3(a) of the Plan of Arrangement:

(i) the Molecule Dissenting Shareholders will cease to be the registered holder of such Molecule Shares;

(ii) the name of each Molecule Dissenting Shareholder will be removed from the central securities register of Molecule with respect to such Molecule Shares;

(iii) legal and beneficial title to such Molecule Shares will be transferred to Molecule and Molecule will cancel such Molecule Shares;

(iv) the certificates representing such Molecule Shares will be deemed to have been cancelled; and

(v) the Molecule Dissenting Shareholders will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer;

(c) immediately thereafter:

(i) each issued and outstanding Molecule Share (other than the Molecule Shares in respect of which a Molecule Dissenting Shareholder has validly exercised its Molecule Dissent Rights) will be transferred to, and acquired by the Resulting Issuer, without any act or formality on the part of such Molecule Shareholder or the Resulting Issuer, free and clear of all liens, in exchange for such number of Post-Consolidation Resulting Issuer Shares equal to the Exchange Ratio, provided that the aggregate number of Post-Consolidation Resulting Issuer Shares payable to any Molecule Shareholder prior to the Effective Time, if calculated to include a fraction of a Post-Consolidation Resulting Issuer Share, will be rounded down to the nearest whole Resulting Issuer Share, with no consideration being paid for the fractional share,

(ii) the name of each such Molecule Shareholder will be removed from the register of holders of Molecule Shares and added to the register of holders of Resulting Issuer Shares, and the Resulting Issuer will be recorded as the registered holder of such Molecule Shares so exchanged and will be deemed to be the legal and beneficial owner thereof,

(iii) all such Molecule Shares will be cancelled and, in consideration therefor, Molecule will issue one common share to the Resulting Issuer;

(d) each Molecule Option that is outstanding and has not been duly exercised prior to the Effective Time will be exchanged and, in consideration therefor, will be deemed exercisable for a Resulting Issuer Share on a post-Consolidation basis (that will be governed by the terms of the Stock Option Plan), such that: (i) on exercise of each Resulting Issuer Option, the holder will be entitled to acquire, and will accept in lieu of the number of Molecule Shares to which such holder was entitled immediately before the Effective Date, the number of Resulting Issuer Shares on a post-Consolidation basis equal to the number of Molecule Shares subject to the Molecule Option immediately before the Effective Date, and (ii) each such Resulting Issuer Option will have an exercise price per Resulting Issuer Share on a post-Consolidation basis equal to the exercise price per Molecule Share subject to such Molecule Option immediately before the Effective Date. Except as provided in this Section 3.3(d) of the Plan of Arrangement, all other terms and conditions of the Molecule Option in effect immediately prior to the Effective Date will govern the Resulting Issuer Option for which the Molecule Option is so exchanged;

(e) each Molecule Warrant that is outstanding and has not been duly exercised prior to the Effective Time will be exchanged and, in consideration therefor, will be deemed exercisable for a Resulting Issuer Share on a post-Consolidation basis (each a "Resulting Issuer Warrant"), such that: (i) on exercise of each Resulting Issuer Warrant, the holder will be entitled to acquire, and will accept in lieu of the number of Molecule Shares to which such holder was entitled immediately before the Effective Date, the number of Resulting Issuer Shares on a post-Consolidation basis equal to the number of Molecule Shares subject to the Molecule Warrant immediately before the Effective Date, and (ii)

each such Resulting Issuer Warrant will have an exercise price per Resulting Issuer Share on a post-Consolidation basis equal to the exercise price per Molecule Share subject to such Molecule Warrant immediately before the Effective Date. Except as provided in this Section 3.3(e) of the Plan of Arrangement, all other terms and conditions of the Molecule Warrant in effect immediately prior to the Effective Date will govern the Resulting Issuer Warrant for which the Molecule Warrant is so exchanged; and

(f) provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

Background to the Arrangement

The following is a summary of the principal meetings, discussions and activities that preceded the execution of the Arrangement Agreement, and the subsequent public announcement of the Arrangement.

Like many junior mineral exploration companies, Everton has had difficulty financing its operations due to its depressed share price and the bearish sentiment that has affected the junior mineral exploration space over the past couple of years. Indeed, it has not completed any arm's length financings since February 2017, instead relying on several working capital loans from Mr. Andre Audet. In addition, other than existing arrangements in respect of certain mineral properties, Everton has not been able to secure appropriate partners for the development or monetization of its existing mineral properties. Accordingly, Everton has been open to considering opportunities for creating value for the corporation and its shareholders.

Following preliminary discussions between Mr. Audet and certain members of the Everton Board in April of 2019, the Everton Board decided to constitute an Independent Committee comprised of Michel Fontaine, Chair of the Independent Committee, Steven Mintz and Keith Stein to analyze the proposed Transaction. The Independent Committee met on several occasions over the past year, beginning on May 9, 2019, to review and consider the proposed Transaction, once Mr. Andre Audet formally proposed the Transaction between Everton and Molecule.

The Independent Committee considered the proposed Transaction and negotiated with Mr. Audet and Mr. Waddington, as representatives of Molecule, to arrive at the signed letter of intent on July 8, 2019. The Independent Committee then continued its due diligence review of Molecule and its activities and, with the assistance of legal counsel, negotiated and settled the final structure of the Transaction, which resulted in the signature of the Arrangement Agreement on November 27, 2019.

The Independent Committee

The Everton Board constituted an Independent Committee comprised of Michel Fontaine, Chair of the Independent Committee, Steven Mintz and Keith Stein to analyze the Arrangement. The Independent Committee met on several occasions over the past year, beginning on May 9, 2019, to review and consider the proposed Transaction, and concluded that the Transaction is in the best interests of Everton and is fair to Everton Shareholders and has accordingly recommended the Transaction to the Everton Board to be submitted for approval of the Everton Shareholders at the Everton Meeting.

Recommendation of the Everton Board

The Everton Board, having taken into account such matters as it considered relevant, including the factors set out below under the heading "*Reasons for the Everton Board Recommendation*", and after careful

consideration, determined that the Transaction is in the best interests of Everton and is fair to the Everton Shareholders.

The Everton Board, other than Andre Audet, who has abstained from making any recommendation with respect to the Securities Exchange Resolution, unanimously recommend that Everton Shareholders vote FOR the Securities Exchange Resolution.

Reasons for the Everton Board Recommendations

The Everton Board, other than Andre Audet, who has abstained from making any recommendation with respect to the Securities Exchange Resolution, in unanimously determining that the Transaction is in the best interests of Everton and is fair to Everton Shareholders, and recommending that Everton Shareholders vote in favor of the Securities Exchange Resolution, considered and relied upon a number of factors, including, among others, the following:

(a) that the Resulting Issuer Shares to be received by Everton Shareholders in the Arrangement offers Everton Shareholders an opportunity to own equity in a business that intends to engage in the production and co-packing of cannabis-infused beverages by providing the infrastructure, knowhow, technology and license for craft beverage producers to create cannabis beverages, providing Former Everton Shareholders with exposure to strong growth opportunities in the cannabis industry in Canada;

(b) the Arrangement is expected to provide Everton Shareholders with a more diverse shareholder base and increased liquidity as it is expected that the Resulting Issuer will have a larger market capitalization and public float upon completion of the Arrangement;

(c) Everton formed an Independent Committee comprised of Michel Fontaine, Steven Mintz, and Keith Stein who carefully considered a number of transaction options for Everton and determined that the Transaction was the most attractive strategic opportunity which it had been presented;

(d) that Everton's and Molecule's respective representations, warranties and covenants and the conditions to their respective obligations set forth in the Arrangement Agreement are reasonable in the judgment of the Everton Board following consultations with its advisors; and

(e) following completion of the closing of the Transaction, members of the management of Molecule will become members of management of Everton. Molecule has an experienced management team that is equipped with operational know-how to conduct the business of the Resulting Issuer.

In the course of its deliberations, the Everton Board also identified and considered a variety of risks, including, but not limited to:

(a) concerns about Everton Shareholders being diluted and the uncertainty of the value of Resulting Issuer Shares; and

(b) the risks to Everton if the Transaction is not completed, including the costs to Everton in pursuing the Transaction and the diversion of management's attention away from the conduct of Everton's business in the ordinary course.

The foregoing summary of the information and factors considered by the Everton Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the Everton Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching its conclusion and recommendation. In addition, individual members of the Everton Board may have given different weight to different factors or items of information.

Court Approval

The Arrangement requires approval by the Court under Section 182 of the OBCA. Molecule will obtain the Interim Order, providing for the calling and holding of the Molecule Meeting, and certain other procedural matters. Subject to the terms of the Arrangement Agreement, and if the Molecule Resolution is approved at the Molecule Meeting in the manner required by the Interim Order, Molecule will re-attend before the Court for the issuance of the Final Order.

The Court hearing in respect of the Final Order is expected to take place as soon as practicable following the Molecule Meeting or as soon thereafter as counsel for Molecule may be heard, at the Court, located at 330 University Avenue, Toronto, Ontario, Canada, M5G 1R7. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court has broad discretion under the OBCA when making orders with respect to a plan of arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Effect of the Arrangement

The Arrangement is to be carried out by Molecule pursuant to the Arrangement Agreement and the Plan of Arrangement. If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to the completion of the Arrangement, the Everton Shares will be consolidated on the basis of a ratio of one (1) post-consolidation Resulting Issuer Share for each ten (10) pre-consolidation Everton Shares.

Pursuant to the terms of the Arrangement, Everton will acquire all of the issued and outstanding Molecule Shares, Molecule Options and Molecule Warrants in exchange for, respectively, Resulting Issuer Shares, Resulting Issuer Options and Resulting Issuer Warrants and Molecule will become a wholly owned subsidiary of the Resulting Issuer.

The Resulting Issuer will change its name to "Molecule Holdings Inc." or as otherwise determined by the Everton Board and agreed by the Molecule Board.

The Resulting Issuer will continue the businesses of Molecule and intends to engage in the business of production and co-packing of cannabis infused beverages by providing the infrastructure, knowhow, technology, and license for craft beverage producers to create cannabis beverages.

The Resulting Issuer Board is expected to be comprised of Andre Audet, Philip Waddington, Amy Proulx, Lindsay Weatherdon and David Reingold**.**

Before the completion of the Arrangement, Everton will delist from the TSXV and list on the CSE. The delisting of Everton from the TSXV is subject to the approval of the Delisting Resolution by the Everton

Shareholders, the TSXV and the listing of the Resulting Issuer on the CSE is subject to the approval of the CSE.

Shareholder Approval for the Securities Exchange Resolution

The Arrangement is a "related party transaction" as defined in MI 61-101. Consequently, in order to be effective, the Securities Exchange Resolution must be approved by a simple majority of the votes cast by the holders of Everton Shares, excluding the votes of Everton Shares held or controlled by "interested parties" or "related parties" being, Mr. Andre Audet, the Chief Executive Officer of Everton and a director of Everton, as Mr. Audet is also the Chief Executive Officer and a director of Molecule and Mr. Brendan Stutt, the Chief Financial Officer of Everton as Mr. Stutt is also the Chief Financial Officer of Molecule.

The Everton Board, other than Andre Audet, who has abstained from making any recommendation with respect to the Securities Exchange Resolution, unanimously recommend that Everton Shareholders vote FOR the Securities Exchange Resolution.

At the Everton Meeting, Everton Shareholders will be asked to vote on the following resolution that must be approved by a simple majority of the votes cast by Everton Shareholders excluding the votes of Everton Shares controlled by Mr. Audet (the "**Securities Exchange Resolution**"):

"**WHEREAS** Everton has entered into the Arrangement Agreement with Molecule to acquire all the outstanding securities of Molecule pursuant to a Plan of Arrangement under Section 182 of the *Business Corporations Act* (Ontario), whereby Everton will: (i) issue (on a post-Consolidated basis) up to 74,400,100 Resulting Issuer Shares (plus the additional number of Resulting Issuer Shares equal to the number of Molecule Shares comprised in the Molecule Units issued under the Molecule Private Placement and as otherwise contemplated in the Arrangement Agreement) in exchange for all the issued and outstanding Molecule Shares; (ii) grant up to 2,500,000 Everton Options in exchange for all the issued and outstanding Molecule Options; and (iii) grant a number of Resulting Issuer Warrants in exchange for the number of Molecule Warrants comprised in the number of Molecule Units issued under the Molecule Private Placement, all of the foregoing subject to increase or decrease in accordance with and subject to the terms of the Arrangement Agreement; on the basis of: (i) one Resulting Issuer Share for each Molecule Share; (ii) one Resulting Issuer Option for each issued and outstanding Molecule Option; and (iii) one Resulting Issuer Warrant for each Molecule Warrant, all as more fully described in Circular;

NOW THEREFORE BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. The issuance of up to 74,400,100 Resulting Issuer Share (plus the additional number of Resulting Issuer Shares equal to the number of Molecule Shares comprised in the Molecule Units issued under the Molecule Private Placement and as otherwise contemplated in the Arrangement Agreement) in exchange for 74,400,100 Molecule Shares (plus the additional number of Molecule Shares comprised in the Molecule Units issued the Molecule Private Placement and as otherwise contemplated in the Arrangement Agreement) is hereby authorized and approved.

2. The grant of up to 2,500,000 Resulting Issuer Options in exchange for 2,500,000 Molecule Options and the same number of Resulting Issuer Shares underlying the Resulting Issuer Options are hereby allotted for issuance upon receipt by the Resulting Issuer of the exercise price thereof is hereby authorized and approved.

3. The issuance of the number of Resulting Issuer Warrants equal to the number of Molecule Warrants comprised in the Molecule Units issued under the Molecule Private Placement,

comprising the Molecule Units is hereby authorized and approved.

4. Any officer or director of Everton is hereby authorized and directed for and on behalf of Everton to execute or cause to be executed, under the corporate seal of Everton or otherwise, and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing."

In the absence of instruction to the contrary, the persons designated by management in the Proxy intend to vote "For" the preceding resolution.

The Everton Board, other than Andre Audet, unanimously recommend that Everton Shareholders vote "For" the Securities Exchange Resolution.

THE CONSOLIDATION

Consolidation

If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to the completion of the Arrangement, the Everton Shares will be consolidated on the basis of a ratio of one (1) post-consolidation Resulting Issuer Share for each ten (10) pre-consolidation Everton Shares. Notwithstanding the approval of the proposed Consolidation by the Everton Shareholders, the Everton Board, in its sole discretion, may revoke the Consolidation Resolution and abandon the Consolidation without further approval or action by, or prior notice to the Everton Shareholders.

Everton will file articles of amendment pursuant to the CBCA to amend the articles of Everton to effect the Consolidation. Such articles of amendment shall be filed at a date to be determined by the Everton Board to be in the best interests of Everton, immediately prior to the Arrangement becoming effective. The Consolidation will become effective on the date shown in the certificate of amendment issued pursuant to the CBCA.

TSXV Acceptance

The Consolidation remains subject to acceptance by the TSXV.

Consolidation Resolution

At the Everton Meeting, Everton Shareholders will be asked to vote on the following resolution that must be approved by a special resolution passed by not less than 66⅔% of the votes cast by Everton Shareholders present in person or represented by proxy at the Everton Meeting (the "**Consolidation Resolution**"):

"**BE IT RESOLVED BY SPECIAL RESOLUTION THAT**

1. Immediately prior to the Arrangement becoming effective, the articles of Everton (the "**Everton Articles**") be amended to consolidate the number of issued and outstanding Everton Shares on the basis of one post-consolidation Everton Share for each 10 pre-consolidation Everton Shares or for such other lesser whole or fractional number of pre-consolidation Everton Shares that the Everton

Board, in its sole discretion, determines to be appropriate and, in the event that the Consolidation would otherwise result in an Everton Shareholder, such amendment to become effective at a date in the future to be determined by the Everton Board when the Everton Board considers it to be in the best interests of Everton to implement such Consolidation.

2. Notwithstanding that this resolution has been duly passed by the Everton Shareholders, the Everton Board is hereby authorized and empowered, if it decides not to proceed with the Consolidation, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the Everton Shareholders.

3. Any director or officer of Everton be and the same is hereby authorized and directed for and in the name of and on behalf of Everton to execute or cause to be executed, whether under corporate seal of Everton or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" the preceding resolution.

The Everton Board unanimously recommend that Everton Shareholders vote "For" the Share Consolidation Resolution.

NAME CHANGE RESOLUTION

At the Meeting, Everton Shareholders will be asked to consider and, if thought fit, to approve the Name Change Resolution authorizing an amendment to the articles of Everton in order to change the name of Everton to "Molecule Holdings Inc." or such other name as the Everton Board deems appropriate (the "**Name Change**"). If the Name Change Resolution is approved at the Everton Meeting, Everton intends to file articles of amendment to change its name at a date to be determined by the Everton Board**.** In the event that the Arrangement is not completed, Everton will not complete the Name Change. In addition, notwithstanding approval of the proposed Name Change by Everton Shareholders, the Everton Board, in its sole discretion, may revoke the Name Change Resolution, and abandon the Name Change without further approval or action by or prior notice to the Everton Shareholders.

At the Everton Meeting, Everton Shareholders will be asked to vote on the following resolution that must be approved by a special resolution passed by not less than 66⅔% of the votes cast by Everton Shareholders present in person or represented by proxy at the Everton Meeting (the "**Name Change Resolution**"):

"**BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION**:

1. At the Effective Time, the Everton Articles be amended to change the name of the Everton to "Molecule Holdings Inc." or such other name as the Everton Board determines appropriate and which all applicable regulatory authorities may accept.

2. Notwithstanding that this resolution has been duly passed by the Everton Shareholders, the Everton Board is hereby authorized and empowered, if it decides not to proceed with the Name Change, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the Everton Shareholders.

3. Any director or officer of Everton be and the same is hereby authorized and directed for and in the name of and on behalf of Everton to execute or cause to be executed, whether under corporate seal of Everton or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" the preceding resolution.

The Everton Board unanimously recommends that Everton Shareholders vote "For" the Name Change Resolution.

PREFERRED SHARE RESOLUTION

If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to giving effect to the Arrangement, the articles of Everton will be amended to create the Resulting Issuer Preferred Shares and the Everton Board, in its sole discretion, will issue to each Everton Shareholder, as a stock dividend, one Resulting Issuer Preferred Share for each Everton Share (on a post-Consolidation basis) held on the Record Date (as defined herein). Therefore, a total of 9,313,447 Resulting Issuer Preferred Shares will be issued, subject to further rounding down to the next nearest whole number.

The purpose of the Resulting Issuer Preferred Shares is to provide current Everton Shareholders with a right to receive, on a pro rata basis, an economic benefit, subject to an aggregate maximum of up to $500,000, in the event that any of the Everton mining royalties are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Resulting Issuer Preferred Shares. If triggered, the Resulting Issuer Preferred Shares would be redeemable, on a pro rata basis, for cash. The Resulting Issuer Preferred Shares would otherwise not have any rights or recourses. The proposed distribution of the Resulting Issuer Preferred Shares remains within the sole discretion of the Everton Board and is not contingent on completion of the Arrangement. Notwithstanding this, Everton does not anticipate implementing the Preferred Share Resolution in the event that the Arrangement is not completed.

The mechanism for the distribution of the Resulting Issuer Preferred Shares is as follows: one Resulting Issuer Preferred Share will be issued to each Everton Shareholder for every Everton Share held on the Record Date.

At the Everton Meeting, Everton Shareholders will be asked to vote on the following resolution that must be approved by a special resolution passed by not less than 66⅔% of the votes cast by Everton Shareholders present in person or represented by proxy at the Everton Meeting (the "**Preferred Share Resolution**"):

"**BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION**:

1. The Everton Articles be amended to create a class of preferred shares of Everton (the "**Preferred Shares**") with special rights and restrictions to the Preferred Shares, such special rights and restrictions substantially in the form attached hereto as Schedule "E", (the "**Preferred Share Right Amendment**").

2. Notwithstanding that this resolution has been duly passed by the Everton Shareholders, the Everton Board is hereby authorized and empowered, if it decides not to proceed with the Preferred Share Right Amendment, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the Everton Shareholders.

3. Any director or officer of Everton be and the same is hereby authorized and directed for and in the name of and on behalf of Everton to execute or cause to be executed, whether under corporate seal of Everton or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

The Everton Board unanimously recommends that the Everton Shareholders vote "For" the Preferred Share Resolution.

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" the preceding resolution.

RESULTING ISSUER DIRECTOR RESOLUTION

At the Everton Meeting, Everton Shareholders will be asked to elect, conditional and effective only upon the completion of the Arrangement and to take effect as at the Effective Time the Resulting Issuer Board Nominees, being Philip Waddington, Amy Proulx, Lindsay Weatherdon and David Reingold, as directors of the Resulting Issuer. In the event that the Arrangement is implemented, Michel Fontaine, Keith Stein, and Steven Mintz will resign as directors of Everton and the Resulting Issuer Board Nominees and André Audet will be the directors of the Reporting Issuer.

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" each of the Resulting Issuer Board Nominees to be elected as directors of the Resulting Issuer.

You can vote for the election of all the candidates referenced above, vote for the election of some of them, and withhold from voting for others, or withhold from voting for all of them.

Set out below are the names of all individuals proposed to be nominated by the management of Everton as directors of the Resulting Issuer together with related information:

Name	Director since	Office held	Number of Everton Shares controlled	Present occupation
Andre Audet	Proposed at the Effective Time	President, Chief Executive Officer and director	7,190,700	President and Chief Executive Officer of Molecule
Philip Waddington	Proposed at the Effective Time	Proposed Director	Nil	Chief Regulatory Officer of Molecule

Amy Proulx	Proposed at the Effective Time	Proposed Director	Nil	Professor and Academic Program Coordinator for Culinary Innovation and Food Technology program
Lindsay Weatherdon	Proposed at the Effective Time	Proposed Director	Nil	President at Concord National Inc.
David Reingold	Proposed at the Effective Time	Proposed Director	Nil	Principal at Roar Beverages Canada

Biographies of the Resulting Issuer Board Nominees

Philip Waddington – President, Chief Executive Officer, Director – Age 57

Philip Waddington is a Canadian regulatory expert. He led a team of over 200 people to create Health Canada's Natural Health Products Regulations. Before joining Molecule, he served on the board of Aphria from 2014-2018. He also has deep operational experience, as the past President of Canadian Plastics Group.

Andre Audet – Director – Age 58

André Audet is a proven cannabis industry player as a Co-Founder of Tetra Bio-Pharma (TSXV:TBP, OTCQB:TBPMF). With over 25 years of experience in the financing of public companies, he provides strategic direction and oversight to guide company execution. Since 2003, he has served as Chairman & CEO of Everton Resources Inc. (TSXV:EVR), a publicly traded mining and exploration company. From 1989 to 1999, he was a Vice-President at BMO Nesbitt Burns, where he specialized in private portfolios. He is also the founder of BUSL cider, and is passionate about genuine, locally sourced, craft beverage production.

Amy Proulx – Director – Age 32

Amy Proulx is a world-renowned food scientist and educator. She has published over 40 peer reviewed articles, and has presented over 50 international lectures. She has worked with over 100 industry partners on innovation and technology readiness through the Canadian Food and Wine Institute Innovation Centre, which she also founded. She works today as a Professor and Academic Program Coordinator for the Culinary Innovation and Food Technology program at Niagara College. She was a former Inspector with the Canadian Food Inspection Agency. She presently sits on boards for the Canadian Institute of Food Science and Technology, Food Processing Skills Canada, and the International Union of Food Science.

Lindsay Weatherdon – Director – Age 55

Lindsay Weatherdon is currently President of Concord National Ontario & Quebec Divisions; one of Canada’s leading Consumer Packaged Goods sales & marketing agencies, as well as President of Braille Energy Systems Inc. Mr. Weatherdon has a diverse background in global sales, holding executive positions in Hardgoods Manufacturing, developing retail strategies across large box and warehouse club formats.

David Reingold – Director – Age 57

David Reingold is a proven leader in the Canadian grocery industry, specializing in the health food sector. With over 25 years of brand building experience, David first built the Natural Life brand under the DMR Food Corporation umbrella along with My Organic Baby, Canada's first full line of organic baby food. Both companies were sold to Clearly Canadian beverage Corporation in 2018 and 2009, respectively. In 2010, David Created Central Roast brands, a clean snacking brand that was later sold to Greenspace Brands in 2015. Currently, he is a principal with Roar Beverages Canada. Roar Beverages is a low calorie, coconut water-based, electrolyte and vitamin-enhanced hydration drink, which is targeted to millennial females.

Corporate Cease Trade Orders, Bankruptcy, and Penalties

To the knowledge of Everton, none of the Resulting Issuer Board Nominees:

(a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company;

(b) or is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets; or

To the knowledge of Everton, none of the Resulting Issuer Board Nominees have been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

APPROVAL OF THE STOCK OPTION PLAN

The material terms and conditions of the Stock Option Plan are set out under the heading "*Compensation of Executive Officers and Directors - Stock Option Plan*" of this Circular.

At the Everton Meeting, the Everton Shareholders will be asked to consider and, if deemed advisable, to approve the Stock Option Plan Resolution, to be effective whether or not the Arrangement is completed. In the event that the Arrangement is not completed, the Stock Option Plan will be the stock option plan of Everton. In the event that the Arrangement is completed, the Stock Option Plan will be the stock option plan of the Resulting Issuer.

At the Everton Meeting, Everton Shareholders will be asked to vote on the following resolution that must be approved by a special resolution passed by not less than 66⅔% of the votes cast by Everton Shareholders present in person or represented by proxy at the Everton Meeting (the "**Stock Option Plan Resolution**"):

"**BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION**:

1. The Stock Option Plan, as described within this Circular, be and is hereby approved and confirmed.

2. Any director or officer of Everton be and the same is hereby authorized and directed for and in the name of and on behalf of Everton to execute or cause to be executed, whether under corporate seal of Everton or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

The Everton Board unanimously recommends that the Everton Shareholders vote "For" the Stock Option Plan Resolution.

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" the preceding resolution.

DELISTING RESOLUTION

At the Everton Meeting, the Everton Shareholders will be asked to consider and, if deemed advisable, to approve the Delisting Resolution, to be effective prior to the completion of the Arrangement. In addition, notwithstanding approval of the Delisting Resolution by Everton Shareholders, the Everton Board, in its sole discretion, may revoke the Delisting Resolution, and abandon the Delisting Resolution without further approval or action by or prior notice to the Everton Shareholders.

TSXV Policy 2.9 requires that in the event that an issuer voluntarily delists all or any class of its listed shares from the TSXV that the TSXV will require, amongst other things, the majority of the minority shareholder approval for the delisting application. Accordingly, the Delisting Resolution must be approved by a simple majority of the Everton Shares cast by the holders of Everton Shares, excluding those held by any directors, officers, insiders of Everton, or any person related to such parties of Everton. At the Effective Time and concurrent with the delisting of the Everton Shares from the TSXV, the Resulting Issuer Shares will be listed on the CSE, subject to the approval of the CSE.

Therefore, at the Everton Meeting, Everton Shareholders will be asked to vote on the following resolution that must be approved by a simple majority of the votes cast by Everton Shareholders excluding those held by Promoters, directors, officers, or other Insiders of Everton. A total of 7,970,000 Everton Shares will be excluded from such vote, specifically Everton Shares controlled by: Mr. Audet, being 7,190,700 Everton Shares; Mr. Fontaine, being 100,000 Everton Shares; Mr. Mintz, being 665,000 Everton Shares; and Mr. Stein, being 15,200 Everton Shares (the "**Delisting Resolution**").

"**BE IT RESOLVED THAT**

1. Everton be and is hereby authorized to apply to voluntarily delist the Everton Shares from the TSX Venture Exchange (the "**Delisting**").

2. Notwithstanding that this resolution has been duly passed by the Everton Shareholders, the Everton Board is hereby authorized and empowered, if it decides not to proceed with the Delisting, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the Everton Shareholders.

3. Any director or officer of Everton be and the same is hereby authorized and directed for and in the name of and on behalf of Everton to execute or cause to be executed, whether under corporate seal of Everton or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

The Everton Board unanimously recommend that the Everton Shareholders vote "For" the Delisting Resolution.

In the absence of instruction to the contrary, the persons designated by management in the Everton Proxy intend to vote "For" the preceding resolution.

THE ARRANGEMENT AGREEMENT

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement. Descriptions in this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are summaries of the terms of those documents and are qualified in their entirety by such terms. Everton Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The Arrangement Agreement and the Plan of Arrangement have been filed by Everton under its profile on SEDAR and are available at www.sedar.com.

Effective Date and Conditions of the Arrangement Agreement

On November 27, 2019, Everton and Molecule entered into the Arrangement Agreement, pursuant to which Everton and Molecule agreed that, subject to the terms and conditions set forth in the Arrangement Agreement, Everton will acquire all of the issued and outstanding securities of Molecule by way of exchange including: (i) the Molecule Shares for the issuance of Resulting Issuer Shares; (ii) Molecule Options for the issuance of Resulting Issuer Options; and (iii) Molecule Warrants for the issuance of Resulting Issuer Warrants, and the Resulting Issuer will continue as the successor corporation with the business of Molecule being that of the Resulting Issuer.

If the Molecule Resolution is passed, the Final Order of the Court will be obtained approving the Arrangement, and all other conditions to the Arrangement becoming effective are satisfied or waived, the Arrangement will become effective at the Effective Time (anticipated to be 12:01 a.m. (Toronto time) on the Effective Date). It is currently expected that the Effective Date will be on or before April 30, 2020.

Representations and Warranties

Representations and Warranties of Everton

Everton has made the following representations and warranties to Molecule under the Arrangement Agreement:

(a) each of Everton and the Everton Subsidiaries is a company duly organized, validly existing and in good standing under the laws of its own jurisdiction and has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, is duly licensed or qualified as a foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it requires it to be so licensed or qualified (save where failure to have such license or qualification is not or would not reasonably be expected to result in a material adverse effect on the operations of Everton) and has the corporate power to enter into the Arrangement Agreement and perform its obligations thereunder;

(b) the authorized capital of Everton consists of an unlimited number of common shares of which as at November 27, 2019, 93,134,470 Everton Shares are issued and outstanding as fully paid and non-assessable, 16,267,500 Everton Shares are issuable on exercise of all outstanding Everton Warrants and 3,300,000 Everton Shares are issuable on exercise of all outstanding Everton Options;

(c) the authorized capital of the Everton Subsidiaries consist of an unlimited number of common shares of which as at November 27, 2019 only one common share is issued and outstanding as fully paid and non-assessable and is held by Everton;

(d) except as described in Section 3.1(b) of the Arrangement Agreement, and as contemplated by the Arrangement Agreement, no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase or issue of or conversion into any of the unissued Everton Shares or unissued common shares of the Everton Subsidiaries;

(e) the financial statements of Everton appearing on www.sedar.com and the financial statements of Everton to be contained in this Circular present fairly the financial position of Everton at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in the said statements, and have been prepared in accordance with accounting principles generally accepted in Canada consistently applied (except as to changes in accounting policies publicly disclosed by Everton);

(f) there are reasonable grounds for believing that no creditor of Everton or the Everton Subsidiaries will be materially prejudiced by the Arrangement;

(g) each of Everton and the Everton Subsidiaries is presently able to pay its liabilities as they become due;

(h) the execution and delivery of the Arrangement Agreement and the consummation of the Arrangement does not and will not:

(i) conflict with, result in a breach of or violate any term or provision of the constating documents of Everton or the Everton Subsidiaries;

(ii) conflict with, result in a breach of, constitute a default under, trigger or accelerate or permit the triggering or the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which Everton or an Everton Subsidiary is a party or by which it is bound or to which any property of Everton or an Everton Subsidiary is subject or result in the creation of any lien, charge or encumbrance upon any of the assets of Everton or of an Everton Subsidiary under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation, triggering or acceleration, entitle them to payments not otherwise payable or the issuance of securities not otherwise issuable under any such agreement, instrument, licence, permit or authority; or

(iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to Everton or an Everton Subsidiary;

(i) the execution and delivery of the Arrangement Agreement has been duly approved by an independent committee of the board of directors of each of Everton and the Everton Subsidiaries. The Arrangement Agreement has been duly executed and delivered by Everton and the Everton Subsidiaries and constitutes a legal, valid and binding obligation of Everton and the Everton Subsidiaries, enforceable against each in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary;

(j) other than as contemplated in the Arrangement Agreement, there are no agreements, covenants, undertakings or other commitments of Everton, an Everton Subsidiary or any partnership or joint venture in which it is a partner or participant or any instruments binding on any of them or any of their respective properties;

(k) neither Everton nor any Everton Subsidiary has incurred or will incur any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with the Arrangement Agreement or the Arrangement;

(l) there are no actions, suits, proceedings or investigations commenced, or, to the best of its knowledge, contemplated or threatened against or affecting Everton or the Everton Subsidiaries or before or by any person or before any arbitrator of any kind;

(m) there are no known or anticipated liabilities of Everton or an Everton Subsidiary of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which Everton is or may become liable other than the liabilities disclosed in Section 3.1(bb) of the Arrangement Agreement or incurred in compliance with Section 3.1(ee) of the Arrangement Agreement;

(n) Everton does not have any subsidiaries other than the Everton Subsidiaries, which are wholly-owned by Everton;

(o) Everton has no material assets other than those assets disclosed in its continuous disclosure documents filed under its profile on www.sedar.com, or liabilities other than those disclosed in its financial statements filed under its profile on www.sedar.com, and is not a party to any material agreement other than the Arrangement Agreement, ancillary agreements reasonably necessary to complete the Arrangement, and those material agreements disclosed in its continuous disclosure documents filed under its profile on www.sedar.com;

(p) the Everton Subsidiaries have no material assets or liabilities, and are not party to any agreement other than the Arrangement Agreement and ancillary agreements reasonably necessary to complete the Arrangement;

(q) Everton is the owner of and has good and marketable title to all of its material assets, free and clear of all Encumbrances, except for those disclosed in its continuous disclosure documents filed under its profile on www.sedar.com;

(r) neither Everton nor any of the Everton Subsidiaries is party to any lease, management or service agreement that cannot be immediately terminated without notice or penalty or both;

(s) the corporate records and minute books of Everton and each of the Everton Subsidiaries as required to be maintained by it under the laws of its jurisdiction of incorporation are up to date and contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing;

(t) the financial books, records and accounts of Everton and the Everton Subsidiaries have, in all material respects, been maintained in accordance with applicable law, in accordance with International Financial Reporting Standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions of Everton and the Everton Subsidiaries;

(u) each of Everton and the Everton Subsidiaries has duly filed on a timely basis all tax returns required to be filed by it and has paid all taxes which are due and payable, and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before November 27, 2019; adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by, or payment of any tax, governmental charge or deficiency against Everton or any of the Everton Subsidiaries; to the knowledge of Everton, there are no actions, suits, proceedings, investigations or claims now threatened or pending against Everton or any of the Everton Subsidiaries in respect of taxes, governmental charges or assessments, or any matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;

(v) to the knowledge of Everton, each of Everton and the Everton Subsidiaries has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes including, but not limited to, income tax and other deductions

required to be withheld therefrom and has paid the same to the proper tax and other receiving officers within the time required under any applicable tax legislation;

(w) the Everton Shares are listed and posted for trading on the Exchange and on no other stock exchange, but were halted on July 9, 2019 in connection with the announcement of the Arrangement;

(x) Everton is not, and will not be at the Effective Time, a "non-resident" as that term is used for the purposes of the Tax Act;

(y) Everton is a reporting issuer in British Columbia, Alberta, Ontario and Quebec, has not been the subject of a cease trade order or investigation under the securities legislation in British Columbia, Alberta, Ontario and Quebec, has not been the subject of any investigation by the TSXV (or its predecessors) or any other regulatory or administrative authority or body, is current with all filings required to be made under the securities legislation in British Columbia, Alberta, Ontario and Quebec, and there are no material deficiencies in the filing of any documents or reports with the TSXV or with the securities commissions in British Columbia, Alberta, Ontario and Quebec that would cause it to be placed on the defaulting reporting issuers list or shown as being in default on a similar list;

(z) neither Everton nor any of the Everton Subsidiaries has sold or otherwise disposed of or entered into any agreement to sell or otherwise dispose of any of its assets;

(aa) there has been no material adverse change in the business or condition, financial or otherwise of Everton from that shown in the financial statements referred to in Section 3.1(e) of the Arrangement Agreement;

(bb) as of October 31, 2019, Everton had current assets of $13,883 and current liabilities of $473,467, for a net working capital deficiency of $459,584;

(cc) all of Everton's public filings at www.sedar.com are true, current and complete in all material respects;

(dd) other than as disclosed in its continuous disclosure documents filed under its profile on www.sedar.com, there are no agreements or other transactions currently in place between Everton or any of the Everton Subsidiaries, on the one hand, and: (i) any officer or director of Everton or any of the Everton Subsidiaries, (ii) any holder of record or beneficial owner of 10% or more of the Everton Shares, or (iii) any affiliate or associate of any such officer, director, holder of record or beneficial owner, on the other hand; and

(ee) since July 8, 2019, the business of Everton has been carried on in its usual and ordinary course and Everton has not entered into any transaction or incurred any liability without the prior written approval of Molecule other than transactions or liabilities with a value of $5,000 or less in the aggregate or in relation to the completion of the terms of the Arrangement Agreement.

Representations and Warranties of Molecule

Molecule has made the following representations and warranties to Everton under the Arrangement Agreement:

(a) each of Molecule and the Molecule Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, is duly licensed or qualified as a foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it requires it to be so licensed or qualified (save where failure to have such license or qualification is not or would not reasonably be expected to result in a material adverse effect on the operations of Molecule or the Molecule Subsidiary) and has the corporate power to enter into the Arrangement Agreement and perform its obligations thereunder;

(b) the authorized capital of Molecule consists of an unlimited number of Class A, Class B, Class C, Class D and Class E common shares and Class F, Class G, Class H, Class I and Class J preference shares, of which as at November 27, 2019 72,800,000 Class A common shares and 100 Class B common shares, are issued and outstanding, 2,500,000 Molecule Shares are issuable on exercise of all outstanding Molecule Options, 900,000 common shares are issuable in aggregate pursuant to the Advisory Agreement in consideration for such service, issuable as: 300,000 common shares on December 15, 2019, 300,000 common shares on March 15, 2019 and 300,000 common shares on June 15, 2019. Molecule has no other securities exercisable or exchangeable for, or convertible into, or other rights to acquire Molecule Shares as at the date of the Arrangement Agreement.

(c) the authorized capital of the Molecule Subsidiary consists of an unlimited number of common shares of which, as of November 27, 2019, 63,300,001 common shares are issued and outstanding as fully paid and non-assessable and are held by Molecule;

(d) except as described in Section 3.2(b) of the Arrangement Agreement and as contemplated by the Arrangement Agreement, no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase or issue of or conversion into any of the unissued Molecule Shares or the unissued shares of the Molecule Subsidiary;

(e) the audited financial statements of Molecule delivered to Everton as at and for the financial year ended October 31, 2019 present fairly the financial position of Molecule at such date and the results of its operations and the changes in its financial position for the period indicated in the said statements and have been prepared in accordance with International Financial Reporting Standards;

(f) there are reasonable grounds for believing that no creditor of Molecule or the Molecule Subsidiary will be prejudiced by the Arrangement;

(g) the execution and delivery of the Arrangement Agreement and the consummation of the Arrangement do not and will not:

(i) conflict with, result in a breach of or violate any term of provision of the constating documents of Molecule;

(ii) conflict with, result in a breach of, constitute a default under, trigger or accelerate or permit the triggering or acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which Molecule or the Molecule Subsidiary is a party or by which it is bound or to which any property of Molecule or the Molecule Subsidiary is subject or result in the creation of any lien, charge or encumbrance upon any of the assets of Molecule or the Molecule Subsidiary under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation, triggering or acceleration, entitle them to payments not otherwise payable or the issuance of securities not otherwise issuable under any such agreement, instrument, licence, permit or authority; or

(iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to Molecule or the Molecule Subsidiary;

(h) the execution and delivery of the Arrangement Agreement has been duly approved by an independent member of the board of directors of Molecule. The Arrangement Agreement has been duly executed and delivered by Molecule and constitutes a legal, valid and binding obligation of Molecule, enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary;

(i) there are no agreements, covenants, undertakings or other commitments of Molecule, the Molecule Subsidiary or any partnership or joint venture in which Molecule is a partner or participant or any instruments binding on any of them or any of their respective properties:

(i) under which the consummation of the Arrangement would have the effect of imposing restrictions or obligations on Molecule, the Molecule Subsidiary or any such partnership or joint venture materially greater than those imposed upon Molecule, the Molecule Subsidiary or any such partnership or joint venture at November 27, 2019;

(ii) that would give a third party, as a result of the Arrangement, a right to terminate any material agreement, or a right to acquire Molecule's interest in any material agreement, to which Molecule, the Molecule Subsidiary or any such partnership or joint venture is a party or to purchase any of their respective assets;

(iii) under which the consummation of the Arrangement would impose material restrictions on the ability of Molecule or the Molecule Subsidiary to carry on its business, as currently conducted, within any geographical area, to acquire property or dispose of its property and assets in their entirety or to change its corporate status; or

(iv) under which the consummation of the Arrangement would impose material restrictions on the ability of Molecule or the Molecule Subsidiary to borrow money or to mortgage and pledge its property as security therefor;

(j) there are no actions, suits, proceedings or investigations commenced, or, to the best of its knowledge, contemplated or threatened against or affecting Molecule or the Molecule Subsidiary or before or by any person or before any arbitrator of any kind;

(k) other than the Advisory Agreement, there are no known or anticipated material liabilities of Molecule of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which Molecule is or may become liable other than the liabilities disclosed to Everton in writing or incurred in the ordinary course of business;

(l) Molecule has no subsidiaries other than the Molecule Subsidiary. Molecule does not own a direct or indirect voting or equity interest in any person other than the Molecule Subsidiary and has no agreement or other commitment to acquire such interest. All of the outstanding shares of the Molecule Subsidiary are validly issued, fully paid and non-assessable and free of pre-emptive rights to the extent such concepts exists under applicable laws. Except pursuant to restrictions on transfer contained in the constating documents of the Molecule Subsidiary, the outstanding shares of the Molecule Subsidiary are owned free and clear of all encumbrances, and Molecule is not liable to any creditor in respect thereof.

(m) the corporate records and minute books of each of Molecule and the Molecule Subsidiary as required to be maintained by it under the laws of its jurisdiction of incorporation are up to date and contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing;

(n) the financial books, records and accounts of Molecule have, in all material respects, been maintained in accordance with applicable law, in accordance with International Financial Reporting Standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions of Molecule;

(o) other than as disclosed in the financial statements referred to in Section 3.2(d) of the Arrangement Agreement, each of Molecule and the Molecule Subsidiary owns good and marketable title to its property interests and assets free and clear of any and all mortgages, liens, pledges, charges, security interests, encumbrances, actions, claims or demands of any nature whatsoever or howsoever other than such mortgages, liens, pledges, charges, security interests, encumbrances, actions, claims or demands that do not or would not reasonably be expected to have a material adverse effect on the operations, properties, assets or financial condition of Molecule and the Molecule Subsidiary, taken as a whole;

(p) each of Molecule and the Molecule Subsidiary has duly filed on a timely basis all tax returns required to be filed by it that would result in taxes; adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by, or payment of any tax, governmental charge or deficiency against Molecule or the Molecule Subsidiary; to the best of the knowledge of Molecule, there are no actions, suits, proceedings, investigations or claims now threatened or pending against Molecule and the Molecule Subsidiary in respect of

taxes, governmental charges or assessments, or any matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;

(q) to the best of the knowledge of Molecule, Molecule has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes including, but not limited to, income tax and other deductions required to be withheld therefrom and has paid the same to the proper tax and other receiving officers within the time required under any applicable tax legislation;

(r) Molecule is not, and will not be at the time of the Arrangement, a "non-resident" as that term is used for the purposes of the Tax Act;

(s) Molecule has not, since July 8, 2019, sold or otherwise disposed of or entered into any agreement to sell or otherwise dispose of any of its material assets;

(t) there has been no material adverse change in the business or condition, financial or otherwise of Molecule from that shown in the financial statements referred to in Section 3.2(d) of the Arrangement Agreement;

(u) Molecule is not a reporting issuer in any jurisdiction, has not been the subject of a cease trade order or investigation under the securities legislation in any jurisdiction, has not been the subject of any investigation by any other regulatory or administrative authority or body, is current with all filings required to be made under the securities legislation and there are no material deficiencies in the filing of any documents or reports with any securities regulatory authorities;

(v) other than as will be disclosed in the information circular of Molecule, there are no agreements or other transactions currently in place between Molecule or the Molecule Subsidiary, on the one hand, and (i) any officer or director of Molecule or the Molecule Subsidiary, (ii) any holder of record or beneficial owner of 10% or more of the Molecule Shares, or (iii) any affiliate or associate of any such officer, director, holder of record or beneficial owner, on the other hand;

(w) each of Molecule and the Molecule Subsidiary maintains insurance against loss or damage in respect of its assets, business and operations, with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses;

(x) Molecule is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of Molecule or the Molecule Subsidiary;

(y) Molecule and the Molecule Subsidiary own and possess adequate enforceable rights to use all trademarks, patents, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the best of Molecule's knowledge, after due inquiry, neither Molecule nor the Molecule Subsidiary is infringing upon the rights of any other person with respect to any such trademarks, patents, copyrights or trade secrets and, no person has infringed any such trademark, patents, copyrights or trade secrets;

(z) each of Molecule and the Molecule Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation, and neither Molecule nor the Molecule Subsidiary has received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the licenses, leases or other instruments conferring rights to Molecule or the Molecule Subsidiary for the conduct of their business;

(aa) to the knowledge of Molecule, after due inquiry, all activities of Molecule and the Molecule Subsidiary have been, up to and including to November 27, 2019, conducted in compliance, in all material respects, with any and all applicable Laws, including, without limitation, Environmental Laws (as defined herein);

(bb) to the knowledge of Molecule, any and all material agreements pursuant to which Molecule or the Molecule Subsidiary holds any of their material assets are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, neither Molecule nor the Molecule Subsidiary is in default of any of the material provisions of any such agreements including, without limitation, failure to fulfil any payment or work obligation thereunder nor has any such default been alleged, Molecule is not aware of any material disputes with respect thereto and such assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licenses and concessions pursuant to which Molecule and the Molecule Subsidiary derive their interests in such material assets are in good standing and there has been no material default under any such leases, licenses and concessions and all real or other property taxes required to be paid with respect to such assets to November 27, 2019 have been paid;

(cc) to the knowledge of Molecule, after due inquiry, all the properties in which Molecule or the Molecule Subsidiary have any freehold, leasehold, license or other interest are free and clear of any hazardous or toxic material, pollution, or other adverse environmental conditions which may give rise to any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursement or expenses (including, without limitation, attorneys' fees and costs, experts' fees and costs, and consultant's fees and costs) of any kind or of any nature whatsoever that are asserted against Molecule or the Molecule Subsidiary, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, contaminant costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above properties and/or emanating or migrating and/or threatening to emanate or migrate from such properties to off-site properties; (ii) physical disturbance of the environment; and (iii) the violation or alleged violation of all applicable Laws aimed at reclamation or restoration of such properties; abatement of pollution; protection of the environment, protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural and historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment, including without limitation, ambient air, surface water and groundwater; and all other applicable Laws relating to the manufacturing, processing,

distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes (collectively, "**Environmental Laws**"); and to the knowledge of Molecule, after due inquiry, all environmental approvals required pursuant to Environmental Laws with respect to activities carried out on any part of the lands covered by such properties, have been obtained, are valid and in full force and effect and have been complied with; and there are no proceedings commenced or threatened to revoke or amend any such environmental approvals;

(dd) to the knowledge of Molecule, there are no outstanding labour disputes, (whether filed or lodged with Molecule or the Molecule Subsidiary or any other person or organization), pending labour disruptions or pending unionization with respect to Molecule or the Molecule Subsidiary;

(ee) neither Molecule nor the Molecule Subsidiary is bound by or a party to any collective bargaining agreement;

(ff) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Molecule or the Molecule Subsidiary is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of Molecule or the Molecule Subsidiary or the payment of dividends by Molecule or the Molecule Subsidiary to the holders of their securities;

(gg) except as disclosed in the financial statements of Molecule, neither Molecule nor the Molecule Subsidiary is party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money ("**Debt Instrument**") or any agreement contract or commitment to create, assume or issue any Debt Instrument;

(hh) neither Molecule nor the Molecule Subsidiary is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Molecule nor the Molecule Subsidiary to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Molecule or the Molecule Subsidiary or which would prohibit or restrict Molecule nor the Molecule Subsidiary from entering into and completing the Business Combination;

(ii) neither Molecule nor the Molecule Subsidiary is a party to any agreement, nor is Molecule or the Molecule Subsidiary aware of any agreement, which in any manner affects the voting control of any of the Molecule Shares or other securities of Molecule or the Molecule Subsidiary;

(jj) neither Molecule nor the Molecule Subsidiary is aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of Molecule or the Molecule Subsidiary taken as a whole or the legal environments under which Molecule and the Molecule Subsidiary operate; and

(kk) to the best of Molecule's knowledge, no representation, warranty or statement of Molecule in the Arrangement Agreement contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to

make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

Conditions Precedent to the Arrangement

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived, at or before 12:01 a.m. on the Effective Date, or such other time on the Effective Date as Everton and Molecule may agree to in writing before the Effective Time:

1. Mutual conditions precedent that may be waived by either Molecule or Everton (for whose benefit such condition is made) in whole or in part without prejudice to such party's right to rely on any other condition:

   (a) the Arrangement will have been approved and adopted by Molecule Shareholders at the Molecule Meeting and by the Everton Shareholders at the Everton Meeting by special resolution (a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution) in accordance with the Interim Order and the Arrangement will have otherwise been approved and adopted by the requisite majorities of persons entitled or required to vote thereon as determined by the Court;

   (b) Everton will have obtained and provided proof to Molecule of the approval of this Arrangement, the Name Change and the Consolidation;

   (c) the Interim Order and Final Order will have been obtained from the Court in the manner contemplated by Article 2 of the Arrangement Agreement;

   (d) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, necessary or desirable for the completion of the transactions provided for in the Arrangement Agreement and the Plan of Arrangement will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances;

   (e) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement and the Arrangement;

   (f) Molecule and Everton will have received advice of tax counsel confirming the Canadian and United States tax consequences of the Arrangement Agreement and to be described in the information circular of Molecule and this Circular, respectively;

   (g) none of the consents, orders, regulations or approvals contemplated in the Arrangement Agreement will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties, acting reasonably;

   (h) the issuances of Resulting Issuer Shares contemplated by the Arrangement will have been approved by all necessary corporate action to permit such securities to be issued, if applicable, as fully paid and non-assessable shares and will be exempt from the registration requirements of the U.S. Securities Act and the prospectus requirements of applicable securities laws in each of the Provinces of Canada in which holders of Molecule Shares are resident;

(i) the Arrangement Agreement will not have been terminated under Article 6 of the Arrangement Agreement; and

(j) the articles of arrangement of Molecule in respect of the Arrangement, will have been accepted for filing by a director appointed pursuant to Section 278 of the OBCA.

2. Conditions to the obligations of Molecule, which may be waived in whole or in part without prejudice to its right to rely on any other condition in favour of Molecule:

(a) the satisfactory completion of due diligence by Molecule, its counsel and representatives on the business, assets, financial condition, and corporate records of Everton, which due diligence process being concluded on or before the Effective Date;

(b) Everton will not have disposed of a material interest in any of its assets or otherwise entered into any material transaction with, or incurred any material liability to, any other corporation or other person or performed any act or entered into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in the Arrangement Agreement, without the prior written consent of Molecule thereto, such consent not to be unreasonably withheld;

(c) there having been no material adverse change in the business, results of operations, assets, liabilities, financial condition or affairs of Everton, financial or otherwise, between July 8, 2019 and the Effective Date, except for a reasonable decrease in Everton's working capital position as may be reasonably necessary to facilitate the Transaction and to meet its customary obligations as a listed issuer on the TSXV and as a "reporting issuer" in British Columbia, Alberta, Ontario and Quebec;

(d) Everton Shareholders will have approved and Everton will have completed this Arrangement, the Consolidation, the Name Change and the Articles of Amendment;

(e) Everton will have fulfilled or complied in all material respects with each of the covenants of Everton contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time;

(f) the representations and warranties of Everton as set out in the Arrangement Agreement being true and correct at the Effective Time with the same force and effect as if made at and as of such time except for representations and warranties made as of a specified time, the accuracy of which will be determined as of such specified time;

(g) the absence of any material adverse effect on the financial and operational condition or the assets of Everton;

(h) the Resulting Issuer Shares issued as consideration for the Molecule Shares being issued as fully paid and non-assessable common shares in the capital of the Resulting Issuer, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature, except those imposed pursuant to the escrow restrictions of the CSE and those arising under applicable securities laws if applicable;

(i) if required, the delivery at the Effective Time of a legal opinion delivered by McMillan LLP, legal counsel to Everton, to Molecule in relation to the proposed Business Combination;

(j) there being no legal proceeding or regulatory actions or proceedings against Everton at the Effective Date which may have a material adverse effect on Everton, its business, assets or financial condition;

(k) there being no other issued and outstanding securities in the capital of Everton other than as disclosed in the Arrangement Agreement;

(l) there being no prohibition at law against the completion of the Business Combination; and

(m) there being no inquiry or investigation (whether formal or informal) in relation to Everton or its directors or officers, having been commenced or threatened by any securities commission or official of the TSXV or any securities regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Everton, its business, assets or financial condition.

3. Conditions to the obligations of Everton, which may be waived in whole or in part without prejudice to its right to rely on any other condition in favour of Everton:

(a) no material adverse change will have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Molecule, financial or otherwise, between July 8, 2019 and the Effective Date;

(b) satisfactory completion of due diligence by Everton, its counsel and representatives on the business, assets, financial condition, and corporate records of Molecule, which due diligence process being concluded on or before the Effective Date;

(c) Molecule will have fulfilled or complied in all material respects with each of the covenants of Molecule contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time;

(d) the representations and warranties of Molecule as set out in the Arrangement Agreement being true and correct at the Effective Time with the same force and effect as if made at and as of such time in each case except for representations and warranties made as of a specified time, the accuracy of which will be determined as of such specified time;

(e) there being no legal proceeding or regulatory actions or proceedings against Molecule at the Effective Date which may have a material adverse effect on Molecule, its business, assets or financial condition;

(f) there being no prohibition at law against the completion of the Business Combination;

(g) the completion of the listing of the Resulting Issuer Shares on the CSE;

(h) Molecule completing the Molecule Private Placement for minimum proceeds of $2,000,000;

(i) there being no inquiry or investigation (whether formal or informal) in relation to Molecule or its directors or officers commenced or threatened by any securities commission or official of the TSXV or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Molecule, its business, assets or financial condition;

(j) if required, Molecule providing a legal opinion of its counsel to Everton in relation to the Business Combination and the transaction documents satisfactory to Everton and its counsel, acting reasonably; and

(k) there being no other issued and outstanding securities in the capital of Molecule other than as disclosed in the Arrangement Agreement or otherwise approved by Everton in advance of the issuance thereof.

4. Condition obligations of each party:

(a) the obligation of each party to complete the transactions contemplated by the Arrangement Agreement is further subject to the condition, which may be waived by such party without prejudice to its right to rely on any other condition in favour of such party, that the covenants of the other parties contained in the Arrangement Agreement be performed on or before the Effective Date pursuant to the terms of the Arrangement Agreement will have been duly performed by each of them in all material respects and that, except as affected by the transactions contemplated by the Arrangement Agreement or otherwise agreed by the parties, the representations and warranties of the other parties will be true and correct in all material respects as at the Effective Time, with the same effect as if such representations and warranties had been made at, and as of such time and each such party will have received a certificate, dated the Effective Date, of a senior officer of each other party confirming the same.

Standstill

1. Until the Arrangement Agreement is terminated or the Arrangement is effected as contemplated by the Arrangement Agreement and the Plan of Arrangement, Molecule and its agents agree:

(a) not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Business Combination, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the Securities Act, for securities or assets of Molecule, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Business Combination, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event Molecule, including any of its officers or directors, receives any form of offer or inquiry,

Molecule shall forthwith (in any event within one business day following receipt) notify Everton of such offer or inquiry and provide Everton with such details as it may request;

(b) to use its reasonable commercial efforts to cause all Molecule Shareholders to vote in favour of the Arrangement and related matters, and not to take any action contrary to, or in opposition to the Business Combination;

(c) to commence the preparation and delivery of financial statements as required by the CSE;

(d) other than as regards the Molecule Private Placement, Advisory Agreement or pursuant to existing or new employment agreement(s) in the ordinary course, as contemplated herein, not to issue any debt, equity, or other securities without prior written approval of Everton, not to be unreasonably withheld or delayed, except in connection with any options, warrants or other rights outstanding as at November 27, 2019;

(e) not to borrow money or incur any indebtedness for money borrowed, except as agreed to by Everton in writing, such approval not to be unreasonably or arbitrarily withheld or delayed;

(f) not to make loans, advances or other payments, excluding ordinary course compensation and routine advances to employees of Molecule for expenses incurred in the ordinary course, or as agreed to by Everton in writing such approval not to be unreasonably or arbitrarily withheld or delayed;

(g) not to declare or pay any dividends or distribute any of Molecule's properties or assets;

(h) not to amend Molecule's articles or by-laws in any manner which may adversely affect the success of the Business Combination, except as agreed to by Everton in writing or as required to give effect to the matters contemplated by the Arrangement Agreement;

(i) except as permitted or contemplated in the Arrangement Agreement, not to enter into any transaction or material contract not in the ordinary course of business, unless such transaction or material contract is made for the purposes of furthering the business of Molecule by way of joint venture or other arrangement of a similar nature, and not to engage in any business enterprise or activity different from that carried on as of November 27, 2019, unless written approval of Everton is obtained such approval not to be unreasonably or arbitrarily withheld or delayed; and

(j) subject to the provisions of the Arrangement Agreement, to cooperate fully with Everton and to use all reasonable commercial efforts to assist Everton in its efforts to complete the Arrangement (including, but not limited to, assisting with the preparation of the filing statement or information circular required to be filed by Everton), unless such cooperation and efforts would subject Molecule to liability or would be in breach of applicable statutory or regulatory requirements.

2. Until the Arrangement Agreement is terminated or the Arrangement is effected as contemplated by the Arrangement Agreement and the Plan of Arrangement, Everton and its agents agree:

(a) not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement,

arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Business Combination, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the Securities Act, for securities or assets of Everton, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Business Combination, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event Everton, including any of its officers or directors, receives any form of offer or inquiry, Everton shall forthwith (in any event within one business day following receipt) notify Molecule of such offer or inquiry and provide Everton with such details as it may request;

(b) not to issue any debt, equity (other than the Preferred Shares and as contemplated by the Debt Conversion), or other securities except in connection with the conversion or exercise of outstanding options, warrants or other rights, except with the written consent of Molecule;

(c) not to borrow money or incur any indebtedness for money borrowed, except as agreed to by Molecule in writing;

(d) not to make loans, advances or other payments, excluding routine advances to directors or officers of Everton for expenses incurred in the ordinary course, or as is agreed to by Molecule in writing;

(e) not to declare or pay any dividends or distribute any of Everton's assets;

(f) not to amend Everton's articles or by-laws in any manner which may adversely affect the success of the Business Combination, except as agreed to by Molecule in writing or as required to give effect to the matters contemplated by the Arrangement Agreement, including as regards to the filing of articles of amendment in order to give effect to the Consolidation;

(g) except as permitted or contemplated by the Arrangement Agreement, not to enter into any transaction or material contract not in the ordinary course of business; and

(h) subject to the provisions of the Arrangement Agreement, to cooperate fully with Molecule and to use all reasonable commercial efforts to assist Molecule in its efforts to complete the Arrangement, unless such cooperation and efforts would subject Everton to liability or would be in breach of applicable statutory and regulatory requirements.

Termination

The Arrangement Agreement may be terminated prior to the Effective Date in the following circumstances:

(a) by the mutual agreement of Molecule and Everton without further action on the part of the Molecule Shareholders or the Everton Shareholders;

(b) by either Molecule and Everton, at the discretion of their respective independent directors, if there will occur any adverse material change, as reasonable determined by the respective independent directors, in or with respect to the assets, liabilities (actual or contingent), capital, operations, business or undertaking of the other party;

(c) by either Molecule and Everton if the other party breaches a material term of the Arrangement Agreement and such breach is not waived or, if capable of being cured, cured within a period of 15 business days from the date of written notice of such breach;

(d) by either Molecule and Everton if the conditions precedent set forth in Section 5 of the Arrangement Agreement are not satisfied or waived on or before February 28, 2020 (or such other date as agreed to by the parties), except that the right to terminate the Arrangement Agreement will not be available to a party whose failure to perform any of its covenants or agreements has been the primary cause of, or resulted in, the failure of the conditions precedent to be satisfied by such date; or

(e) upon the earliest to occur of: (1) the Everton Shareholders failing to approve the Consolidation, the Name Change and the Articles of Amendment, (2) the Molecule Shareholders failing to approve the Arrangement, or (3) a final determination from the Court or an appeal court that denies the granting of the Final Order; provided, however, that nothing in subsection 6.2(e) of the Arrangement Agreement will extend the termination date of the Arrangement Agreement past April 30, 2020 without the mutual consent of Molecule and Everton.

Amendment and Waiver

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before the Effective Date, be amended by written agreement of Everton and Molecule without, subject to applicable law, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

(a) change the time for performance of any of the obligations or acts of the parties;

(b) waive any inaccuracies or modify any representation contained in the Arrangement Agreement or any document to be delivered pursuant thereto;

(c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement or waive or modify performance of any of the obligations of the parties; or

(d) as otherwise ordered by the Court and agreed to by Molecule and Everton, each acting reasonably.

The Arrangement Agreement and its respective exhibits may be amended in accordance with the Final Order, but in the event that the terms of the Final Order requires any such amendment, the rights of the parties under Sections 5 and 6.2 of the Arrangement Agreement will remain unaffected.

PROCEDURE FOR EXCHANGE OF EVERTON SHARES

Computershare Trust Company of Canada is acting as the depositary (the "**Depositary**") for the Everton Shares to be exchanged for Resulting Issuer Shares upon completion of the Arrangement. Enclosed in the

Circular is an accompanying Letter of Transmittal to be delivered by Everton to the Everton Shareholders providing for the delivery of the Everton Shares to the Depositary along with certificates or DRS Statements representing Everton Shares to be exchanged for Resulting Issuer Shares. The Depositary will be responsible for issuing and registering the Resulting Issuer Shares to Everton Shareholders.

The Letter of Transmittal is for use by Registered Everton Shareholders only and is not to be used by Non-Registered Everton Shareholders. Non-Registered Everton Shareholders should contact their broker or other financial intermediary for instructions and assistance in receiving the Resulting Issuer Shares in respect of their Everton Shares.

Registered Everton Shareholders are requested to tender to the Depositary any certificates or DRS Statements representing their Everton Shares along with the properly completed Letter of Transmittal. As soon as practicable after the Effective Date, the Depositary will forward to each Registered Everton Shareholder that submitted a properly completed Letter of Transmittal to the Depositary, together with the certificate(s) or DRS Statement(s) representing the Everton Shares held by such Everton Shareholder immediately prior to the Effective Date, DRS Statements representing the number of Resulting Issuer Shares equal to the number of Everton Shares held by the Former Everton Shareholder. DRS Statements representing the Resulting Issuer Shares will be registered in such name or names as directed in the Letter of Transmittal and will be either (i) delivered to the address or addresses as such Everton Shareholder directed in their Letter of Transmittal; or (ii) made available for pick up at the offices of the Depositary in accordance with the instructions of the Everton Shareholder in the Letter of Transmittal.

Lost Certificate or DRS Statement

In the event any certificate or DRS Statement, that immediately before the Effective Time represented one or more outstanding Everton Shares in respect of which the Everton Shareholder was entitled to receive Resulting Issuer Shares pursuant to the Arrangement is lost, stolen or destroyed, upon the making of an affidavit or statutory declaration of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate or DRS Statement, the appropriate number of DRS Statements representing the appropriate number of Resulting Issuer Shares to which the Former Everton Shareholder is entitled. When authorizing delivery of DRS Statements representing the Resulting Issuer Shares to which the Former Everton Shareholder is entitled in exchange for any lost, stolen or destroyed certificate, such former Everton Shareholders to whom certificates and DRS Statements are to be delivered will be required, as a condition precedent to the delivery thereof, to give a bond satisfactory to the Resulting Issuer and the Depositary in such amount as the Resulting Issuer and the Depositary may direct or otherwise indemnify the Resulting Issuer and the Depositary in a manner satisfactory to them, against any claim that may be made against one or both of them with respect to the certificate or DRS Statement alleged to have been lost, stolen or destroyed.

REGULATORY AND SECURITIES LAW MATTERS

The following is a brief summary of the Canadian securities law, Canadian exchange, and U.S. Securities Law considerations applying to the Arrangement.

Regulatory and Securities Law Matters

Other than the Interim Order from the Court, the Final Order from the Court, the approval of the delisting of Everton from the TSXV by the TSXV and the approval of the listing of the Resulting Issuer on the CSE by the CSE, Everton is not aware of any other material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required

to be obtained in order to complete the Transaction. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought, although any such additional requirements could delay the Effective Date or prevent the completion of the Transaction. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, Everton currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date, which, subject to receipt of the Everton Shareholder approval at the Everton Meeting of the various Everton Meeting items, approval of the Arrangement by the Molecule Shareholders at the Molecule Meeting, receipt of the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, are expected to occur on or before April 30, 2020.

Canadian Securities Laws

Everton Shareholders are urged to consult such Everton Shareholder's professional advisors to determine the conditions and restrictions applicable to trades in the Resulting Issuer Shares and the Resulting Issuer Preferred Shares issuable pursuant to the Arrangement.

Status under Canadian Securities Laws

Everton is a reporting issuer in each of the Provinces of British Columbia, Alberta, Ontario, and Quebec. The Everton Shares currently trade on the TSXV. Subject to completion of the Arrangement and the approval by the Everton Shareholders of the Delisting Resolution, the approval of the TSXV and the approval of the CSE, the Resulting Issuer Shares will be listed on the CSE and the Resulting Issuer will be a reporting issuer in each of the Provinces of British Columbia, Alberta, Ontario, and Quebec. There can be no assurance as to if, or when, the Resulting Issuer Shares will be listed or traded on the CSE. It is a mutual condition of the Arrangement Agreement that the CSE shall have conditionally approved the listing of the Resulting Issuer Shares to be issued pursuant to the Arrangement, including any Resulting Issuer Shares issuable upon the exercise of any Resulting Issuer Options or Resulting Issuer Warrants.

The Preferred Shares will not be listed on the TSXV or the CSE and it is not anticipated that there will be a market for the Preferred Shares.

Each Everton Shareholder is urged to consult such Everton Shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Resulting Issuer Shares as a result of the Transaction. **All Everton Shareholders residing outside Canada are advised to consult their own legal advisors regarding such resale restrictions.**

MI 61-101

As a reporting issuer in British Columbia, Quebec, Alberta and Ontario, Everton is, among other things, subject to MI 61-101. MI 61-101 regulates certain types of related party transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding persons who are "interested parties" under applicable Law), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by MI 61-101, apply to, among other transactions "related party transactions" (as defined in MI 61-101), being transactions with a "related party" (as defined in MI 61-101), and "business combinations" (as defined in MI 61-101) which may terminate the interests of security holders without their consent.

MI 61-101 provides that in certain circumstances, where a "related party" of an issuer is a party to a transaction, such transaction may be considered a "related party transaction" and may be subject to minority approval requirements and formal valuation requirements (as defined in MI 61-101). If "minority approval" is required, MI 61-101 requires that the Securities Exchange Resolution must be approved by a simple majority of the votes cast by the shareholders voting in person or proxy, excluding those votes attaching to the Everton Shares beneficially owned, or over which control or direction is exercised, by "interested parties", which includes directors and officers of Everton who will be considered to be entitled to receive a "collateral benefit" (as defined in MI 61-101) as a consequence of the Arrangement.

The Arrangement is a "related party transaction" as defined in MI 61-101. Consequently, in order to be effective, the Securities Exchange Resolution must be approved by a simple majority of the votes cast by the holders of Everton Shares, excluding the votes of Everton Shares held or controlled by Mr. Audet, the Chief Executive Officer of Everton and a director of Everton, as Mr. Audet is also the Chief Executive Officer and a director of Molecule. As of the Record Date, 7,190,700 Everton Shares are beneficially owned, or controlled or directed, directly or indirectly by Mr. Audet and will be excluded from voting on the Securities Exchange Resolution.

MI 61-101 requires, subject to certain exemptions, that a formal valuation be obtained for a "related party transaction" under section 5.4 of MI 61-101. Everton is exempt from the requirement to obtain a formal valuation with respect to the arrangement under section 5.5(b) of MI 61-101 on the basis that the Everton Shares are listed on the TSXV.

MI 61-101 requires Everton to disclose any "prior valuations" (as defined in MI 61-101) of Everton or its material assets or securities made within the 24-month period preceding the date of this Circular. After reasonable inquiry, neither Everton nor any director or officer of Everton has knowledge of any such "prior valuation". Disclosure is also required for any bona fide prior offer for the Everton Shares during the 24 months before entry into the Arrangement Agreement. There has not been any such offer during such 24-month period.

TSXV Policy 2.9

TSXV Policy 2.9 requires that in the event that an issuer voluntarily delists all or any class of its listed shares from the TSXV that the TSXV will require, amongst other things, the majority of the minority shareholder approval for the delisting application. Accordingly, the Delisting Resolution must be approved by a simple majority of the Everton Shares cast by the holders of Everton Shares, excluding those held by: Mr. Audet, being 7,190,700 Everton Shares; Mr. Fontaine, being 100,000 Everton Shares; Mr. Mintz, being 665,000 Everton Shares; and Mr. Stein, being 15,200 Everton Shares (all excluded Everton Share totals are on a pre-Consolidation basis).

U.S. Securities Laws

The following discussion is only a general overview of certain requirements of U.S. Securities Laws that may be applicable to the Transaction. All holders of securities of the Resulting Issuer after the Effective Time of the Arrangement are urged to obtain legal advice to ensure that any resale of such securities complies with applicable U.S. Securities Laws. Further information applicable to the holders of such securities resident in the U.S. is disclosed in this Circular under the heading *"Note to U.S. Securityholders"*.

Exemption from U.S. Registration

The Resulting Issuer Shares and Resulting Issuer Options to be issued in exchange for Molecule Shares and Molecule Options under the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the U.S. and, except as described below, will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act and exemptions provided in respect of the securities laws of states of the U.S. in which the security holder resides. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities and other property where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order of the Court will, if granted, constitute the basis for the exemption under Section 3(a)(10) from the registration requirements of the U.S. Securities Act with respect to certain Resulting Issuer Shares and the Resulting Issuer Options to be issued under the Arrangement.

The Molecule Units issuable pursuant to the Molecule Private Placement, and the underlying Molecule Shares and Molecule Warrants, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. The exchange of Molecule Shares held by any U.S. investors for Resulting Issuer Shares, and the exchange of Molecule Warrants held by such investors for Resulting Issuer Warrants, in each case under the Arrangement, will not be effected in reliance Section 3(a)(10) of the U.S. Securities Act, but rather in reliance on certain other exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Resulting Issuer Shares and Resulting Issuer Warrants will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act), and any certificates or other instruments representing such securities will be endorsed with a legend restricting their transfer except pursuant to registration under the U.S. Securities Act absent an exemption from such registration requirements.

The Resulting Issuer Preferred Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. The proposed distribution of the Resulting Issuer Preferred Shares to existing Everton Shareholders by way of a stock dividend within the sole discretion of the Everton Board does not call for an investment decision on the part of such Everton Shareholders, and therefore is not subject to the registration requirements of the U.S. Securities Act or any state securities laws. Any Resulting Issuer Preferred Shares issued to U.S. Everton Shareholders will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act), and any certificates or other instruments representing such shares will be endorsed with a legend restricting their transfer except pursuant to registration under the U.S. Securities Act absent an exemption from such registration requirements.

The Resulting Issuer Shares underlying the Resulting Issuer Options and the Resulting Issuer Warrants have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Resulting Issuer Options and the Resulting Issuer Warrants may not be exercised in the United States, or for the account or benefit of a U.S. person or a person in the United States, in the absence of an exemption from such registration requirements.

Any Resulting Issuer Shares issued upon the exercise of Resulting Issuer Options or Resulting Issuer Warrants in the United States, or for the account or benefit of a U.S. person or a person in the United States, will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act. Certificates or other instruments representing such Resulting Issuer Shares will be endorsed with a legend restricting their

transfer except pursuant to registration under the U.S. Securities Act absent an exemption from such registration requirements.

"United States" and "U.S. person" have the respective meanings ascribed thereto in Rule 902 of Regulation S under the U.S. Securities Act.

Resale of Resulting Issuer Shares, Resulting Issuer Options, Resulting Issuer Warrants and Resulting Issuer Preferred Shares

Resulting Issuer Shares issued in exchange for Molecule Shares under the Arrangement (other than Molecule Shares issued as "restricted securities" pursuant to the Molecule Private Placement), and Resulting Issuer Options issued in exchange for Molecule Options under the Arrangement, may be resold within or outside the U.S. without restriction under the U.S. Securities Act by holders who, after completion of the Arrangement, are not "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of the Resulting Issuer and were not "affiliates" at any time within the 90 days immediately before the relevant resale transaction.

The following securities may not be resold without registration under the U.S. Securities Act and any applicable state securities laws, absent an exemption from such registration requirements (such the resale safe harbors provided by Rule 144 under the U.S. Securities Act, if available, and Rule 904 of Regulation S under the U.S. Securities Act, if available):

(a) any Resulting Issuer Shares, Resulting Issuer Options, Resulting Issuer Warrants or Resulting Issuer Preferred Shares held by any person who, after consummation of the Arrangement is an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the Resulting Issuer, or was, at any time during the 90 days immediately before the relevant resale transaction, an "affiliate" of the Resulting Issuer, regardless of whether they were not issued as "restricted securities";

(b) any Resulting Issuer Shares issued as "restricted securities" in exchange for Molecule Shares issued as "restricted securities" pursuant to the Molecule Private Placement;

(c) any Resulting Issuer Warrants issued as "restricted securities" in exchange for Molecule Warrants issued as "restricted securities" pursuant to the Molecule Private Placement;

(d) any Resulting Issuer Preferred Shares issued to U.S. Everton Shareholders as "restricted securities"; and

(e) any Resulting Issuer Shares issued as "restricted securities" upon exercise of Resulting Issuer Options or Resulting Issuer Warrants in the United States, or by for the account or benefit of a person in the United States or a U.S. person.

As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer and may include certain officers and directors of such issuer as well as principal shareholders of such issuer. "Control" means the possession, direct or indirect, of the power to direct or cause direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract or otherwise.

FEES AND EXPENSES

The aggregate expenses of Everton incurred or to be incurred relating to the Arrangement, including, without limitation, contractual severance obligations, legal, accounting, audit, financial advisory, printing, "tail" policies of directors' and officers' liability insurance and other administrative and professional fees, the preparation and printing of this Circular, and other out-of-pocket costs associated with the Everton Meeting are estimated to be approximately $100,000.

All expenses incurred in connection with the Arrangement by Everton and Molecule and the transactions contemplated thereby shall be paid by the party incurring such expense.

INTERESTS OF DIRECTORS AND OFFICERS OF EVERTON IN THE TRANSACTION

In considering the recommendation of the Everton Board with respect to the Transaction, Everton Shareholders should be aware that certain members of Everton's management and the Everton Board have certain interests in connection with the Transaction that may present them with actual or potential conflicts of interest in connection with the Transaction.

The table below sets forth the number and percentage of Everton Shares and Everton Options that the Everton Directors and officers of Everton and any of their respective affiliates and associates since the beginning of the last completed financial year of Everton beneficially own or exercise control or direction over, directly or indirectly, as of the date hereof.

Other than the interests and benefits described below, and as disclosed elsewhere in this circular, none of the Everton Directors or officers of Everton, or to the knowledge of the Everton Directors and officers of Everton, any of their respective associates or affiliates of Everton, or insiders (other than a director or officer) of Everton or any person acting jointly or in concert with Everton has any material interest, direct or indirect, as an Everton Director, officer, shareholder, security holder or creditor of Everton or otherwise in any matter to be acted upon in connection with the Transaction or that would materially affect the Transaction.

Name and Position	Number of Everton Shares Beneficially Owned	% of Everton Shares	Number of Resulting Issuer Shares Beneficially Owned[(1)]	% of Resulting Issuer Shares Owned[(1)]	Number of Everton Options Beneficially Owned	% of Everton Options	Number of Resulting Issuer Options Owned[(1)(3)]	% of Resulting Issuer Options Owned[(1)(3)]
Andre Audet[(2)]	7,190,700	7.7%	6,219,170	6.8%	2,000,000	60.1%	500,000	17.7%
Keith Stein	15,200	0.02%	1,520	0.002%	300,000	9%	30,000	1%
Steven Mintz	665,000	0.7%	1,066,500	1.2%	400,000	12%	40,000	1.4%
Michel Fontaine	100,000	0.1%	10,0000	0.01%	300,000	9%	30,000	1%
Brendan Stutt	Nil	Nil	Nil	Nil	Nil	Nil	300,000	10.3%

Notes:

(1) Upon closing of the Transaction, on a post-Consolidation basis, assuming gross proceeds of $2,000,000 pursuant to the Molecule Private Placement.

(2) Audet holds 5,500,100 Molecule Shares, representing 7.4% of the issued and outstanding Molecule Shares, before giving effect to the Molecule Private Placement.

(3) Subject to termination in accordance with the Everton Stock Option Plan.

Directors

The Everton Directors (other than Everton Directors who are also executive officers of Everton) hold, in the aggregate, 780,200 Everton Shares representing approximately 0.84% of the Everton Shares outstanding as of the Record Date. At closing of the Transaction, the Everton Directors (other than Everton Directors who are also executive officers of Everton) will hold 1,078,020 Resulting Issuer Shares or 1.2% of the issued and outstanding Resulting Issuer Shares, assuming gross proceeds of $2,000,000 pursuant to the Molecule Private Placement. The Everton Directors (other than directors who are also executive officers) hold, in the aggregate, 1,000,000 Everton Options, representing approximately 30% of the Everton Options outstanding as of the Record Date. At closing of the Transaction, the Everton Directors (other than directors who are also executive officers) will hold in aggregate 100,000 Resulting Issuer Options or 3.5% of the outstanding Resulting Issuer Options.

All of the Everton Shares and Everton Options held by the Everton Directors will be treated in the same fashion under the Arrangement as Everton Shares and Everton Options held by every other Everton Shareholder and holder of Everton Options, respectively.

Executive Officers

The executive officers of Everton, in the aggregate, hold 7,190,700 Everton Shares representing approximately 7.72% of the Everton Shares outstanding as of the Record Date. At closing of the Transaction, the executive officers of Everton will hold in aggregate 6,219,170 Resulting Issuer Shares or 6.8% of the issued and outstanding Resulting Issuer Shares. The executive officers of Everton, in the aggregate, hold 2,000,000 Everton Options, representing approximately 61% of the Everton Options outstanding as of the Record Date. At closing of the Transaction, the executive officers of Everton will hold in aggregate 800,000 Resulting Issuer Options or 28.3% of the outstanding Resulting Issuer Options.

All of the Everton Shares and Everton Options held by the Everton Officers will be treated in the same fashion under the Arrangement as the Everton Shares and Everton Options held by every other Everton Shareholder and holder of Everton Options respectively.

Indemnification and Insurance

Under the Arrangement Agreement Everton and Molecule have agreed that all rights to indemnification or exculpation existing in favour of current and former directors or officers of Molecule and its subsidiaries and of Everton and its subsidiaries as provided in their respective articles, notice of articles and by-laws thereof, or in any agreement, will survive the completion of the Arrangement and be assumed by the Resulting Issuer and will continue in full force and effect.

PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Circular, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a beneficial owner of Everton Shares who, at all relevant times and for purposes of the Tax Act, (i) is an individual (other than a trust), (ii) is, or is deemed to be, resident in Canada, (iii) deals at arm's length with Everton (within the meaning of the Tax Act), (iv) is not "affiliated" (within the meaning of the Tax Act) with Everton; and (v) holds Everton Shares as capital property (each, solely for the purpose of this section entitled "Principal Canadian Federal Income Tax Considerations", an "**Individual Holder**"). Generally, Everton Shares will be considered to be capital property to the holder thereof provided that they are not held in the course of carrying on a business of

buying and selling securities and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force on the date of this Circular and the current administrative and assessing policies and practices published in writing by the CRA prior to the date of this Circular. This summary takes into account all specific proposals to amend the Tax Act and the Regulations which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted in their current form. There can be no assurance that any of the Proposed Amendments will be implemented in their current form or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes (including retroactive changes) in the law or the administrative policies or practices of the CRA, whether by judicial, regulatory, governmental or legislative action. In addition, this summary does not take into account any other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed in this Circular.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any particular holder. Holders should consult their own tax advisors as to the tax consequences in their particular circumstances.

This summary is not applicable to an Individual Holder that has entered into, or enters into, a "derivative forward agreement" (as defined in the Tax Act) with respect to any Everton Shares, or that receives dividends on Everton Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act). Such Individual Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences applicable to them in their particular circumstances.

This summary does not address the Canadian federal income tax considerations applicable to holders of any Everton Options or Everton Warrants. Such holders should consult their own tax advisors regarding the tax consequences of holding, exercising or disposing of their Everton Options and Everton Warrants following the Consolidation based on their particular circumstances.

The Consolidation

The Consolidation will result in all of the Everton Shares being replaced by a lesser number of Everton Shares in the same proportion for all Individual Holders, in circumstances where there is no change in the total capital represented by the issue, there is no change in the interest, rights or privileges of the Individual Holders and there are no concurrent changes in the capital structure of Everton. As a result, the Consolidation should not result in any disposition or acquisition of Everton Shares by the Individual Holders thereof, and therefore Individual Holders will not realize any capital gain or capital loss as a result of the Consolidation. The aggregate adjusted cost base to an Individual Holder of all Everton Shares held by such Individual Holder will not change as a result of the Consolidation, but the Individual Holder's adjusted cost base per Everton Share will be increased proportionately.

The Issuance of Resulting Issuer Preferred Shares

The issuance of Resulting Issuer Preferred Shares on the basis of one Resulting Issuer Preferred Share for each Everton Share held on the Record Date will be considered a stock dividend for purposes of the Tax Act. For the purposes of computing an Individual Holder's income for purposes of the Tax Act, the amount of a dividend that is paid in the form of a stock dividend is the amount by which the "paid-up capital" (as

defined in the Tax Act) of the shares is increased as a result of the issuance of the stock dividend shares. Generally speaking, the increase in the paid-up capital of shares is equal to the increase in the stated capital of those shares for corporate law purposes.

Under the CBCA, the corporate statute governing Everton, the Board of Directors is permitted to add any amount (up to the fair market value of the shares issued) to the stated capital of the Resulting Issuer Preferred Shares when Resulting Issuer Preferred Shares are issued, including as a payment of a stock dividend. The Individual Holder's pro-rata share of the amount of the increase in the paid-up capital of the Resulting Issuer Preferred Shares as a result of their issuance will be included in computing such Individual Holder's income for purposes of the Tax Act and will be subject to income tax.

However, it is anticipated that the Everton Board of Directors will add only a nominal amount to the stated capital account maintained for the Resulting Issuer Preferred Shares when such shares are issued, and therefore it is expected that the amount of the stock dividend as a result of the issuance of the Resulting Issuer Preferred Shares for the purposes of computing an Individual Holder's income under the Tax Act will be nominal. As a result, it is expected that Individual Holders will have no material amounts to include in computing their income for the purposes of the Tax Act as a result of receiving Resulting Issuer Preferred Shares.

The Redemption of Resulting Issuer Preferred Shares

Upon the redemption of Resulting Issuer Preferred Shares, the Individual Holder thereof will be deemed to have received a dividend equal to the amount by which the price for which the Resulting Issuer Preferred Shares are redeemed (the "**Redemption Price**") exceeds their paid-up capital for the purposes of the Tax Act. The difference between the Redemption Price and the amount of the deemed dividend would then be treated as proceeds of disposition of such Resulting Issuer Preferred Shares for the purposes of computing any capital gain or capital loss arising on the disposition of such shares.

Dividends deemed to be received by an Individual Holder as a result of the redemption of Resulting Issuer Preferred Shares will be required to be included in computing the such Individual Holder's income, and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit in respect of dividends designated by Everton as "eligible dividends". There may be limitations on the ability of Everton to designate dividends as "eligible dividends."

However, it is anticipated that the Everton Board of Directors will add only a nominal amount to the stated capital account maintained for the Resulting Issuer Preferred Shares when such shares are issued. Where this is the case, each Individual Holder will have a nominal amount of paid-up capital in respect of their Resulting Issuer Preferred Shares such that the entire amount of the Redemption Price should constitute a deemed dividend to Individual Holders, and Individual Holders will not realize any capital gain or capital loss as a result of the redemption of their Resulting Issuer Preferred Shares.

This Circular does not address any tax considerations other than the Canadian federal income tax considerations described above with respect to Individual Holders. Holders of securities who are not individuals (such as, for example, a corporation or a trust) or who are resident in a jurisdiction other than Canada should consult their own tax advisors with respect to the tax implications of the transactions described in this Circular.

RISK FACTORS

The following risk factors, which relate to the Arrangement and the Resulting Issuer, should be considered by the Everton Shareholders in evaluating whether to approve the resolutions related to the Arrangement stated above.

Risks Related to the Arrangement

There can be no certainty that all conditions precedent to the Arrangement including required approvals will be satisfied or waived.

The Arrangement is subject to certain conditions that may be outside the control of the Parties, including, without limitation, the receipt of the Final Order, the approval of the Molecule Resolution by Molecule Shareholders, the approval of the resolutions included in this Circular by Everton Shareholders, the approval of the TSXV with respect to the delisting of the Everton Shares from the TSXV, and the approval of the CSE with respect to the listing of the Resulting Issuer Shares on the CSE. There can be no certainty, nor can any Party provide any assurance, that these conditions will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If the Arrangement is not completed, the market price of Everton Shares may decline to the extent that the market price of the Everton Shares reflects a market assumption that the Arrangement will be completed.

The Arrangement Agreement may be terminated by Everton or Molecule in certain circumstances.

Either Everton or Molecule has the right to terminate the Arrangement Agreement and not complete the Arrangement in certain circumstances. Accordingly, there is no certainty, nor can any of the Parties provide any assurance, that the Arrangement Agreement will not be terminated by either Everton or Molecule, as the case may be, before the completion of the Arrangement. See *"The Arrangement Agreement — Termination"*.

The unaudited pro forma consolidated financial statements of the Resulting Issuer are presented for illustrative purposes only and may not be an indication of the Resulting Issuer's financial condition or results of operations following the Arrangement.

The unaudited *pro forma* consolidated financial statements of the Resulting Issuer contained in this Circular are presented for illustrative purposes only as of their respective dates and may not be an indication of the financial condition or results of operations of the Resulting Issuer following the Arrangement for several reasons. For example, the unaudited *pro forma* consolidated financial statements of the Resulting issuer have been derived from the respective historical financial statements of Everton and Molecule and certain adjustments and assumptions made as of the dates indicated therein and have been made to give effect of the Arrangement, as applicable, and the other respective relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. See *"Cautionary Note Regarding Forward-Looking Statements"*.

Everton and Molecule's management have conflicts of interest with respect to the Arrangement

Andre Audet, the Chief Executive Officer and director of Everton also serves as the Chief Executive Officer and a director of Molecule and Brendan Stutt, the Chief Financial Officer of Everton, also serves as the Chief Financial Officer of Molecule. Consequently, there exists the possibility for such persons to be in a position of conflict. Any decision made by such persons involving the Arrangement will be made in

accordance with their duties and obligations to deal fairly and in good faith with Everton and such other companies. In addition, such persons will declare, and refrain from voting on, any matter in which such person has a conflict of interest.

There is no assurance the market price of the Resulting Issuer Shares will increase.

There can be no assurance that the market price of the Resulting Issuer Shares will increase as a result of the Consolidation. The marketability and trading liquidity of the Resulting Issuer Shares may not improve. In addition, the Consolidation may result in some Everton Shareholders owning "odd lots" of less than 100 Resulting Issuer Shares which may be more difficult for such Everton Shareholders to sell or which may require greater transaction costs per Resulting Issuer Share to sell.

Risks Related to the Resulting Issuer

Resulting Issuer's businesses require compliance with regulatory or agency proceedings, investigations and audits

The Resulting Issuer's business requires compliance with many laws and regulations, specifically Canadian cannabis laws that are still in the early stages and subject to unexpected changes. Failure to comply with these laws and regulations could subject the Resulting Issuer or the businesses in which it invests to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Resulting Issuer may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Resulting Issuer's reputation, require Resulting Issuer to take, or refrain from taking, actions that could harm its operations or require the Resulting Issuer to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Resulting Issuer's business, financial condition and results of operation.

Licensing requirements for cannabis companies in Canada

The market for cannabis and cannabis derivative products in Canada is regulated by the *Cannabis Act* and *Cannabis Regulations*. Health Canada is the primary regulator of the cannabis industry as a whole. There is no guarantee that the Resulting Issuer will obtain, all the necessary licenses or approvals required for its business. In addition, failure to comply with the requirements of any license, once obtained by the Resulting Issuer, or any failure to maintain such license would have a material adverse impact on the business, financial condition and operating results of the Resulting Issuer. Should Health Canada amend the terms of any necessary license granted to Molecule, including the Licence, the business, financial condition and results of the operation of the Resulting Issuer could be materially and adversely affected.

The Resulting Issuer may be unable to successfully integrate the businesses of Molecule and realize the anticipated benefits of the Transaction

Achieving the benefits of the Transaction depends in part on the ability of the Resulting Issuer to effectively capitalize on its scale, to realize the anticipated capital and operating synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities as a result of combining the businesses and operations of Everton with Molecule. A variety of factors, may adversely affect the ability of Everton and Molecule to achieve the anticipated benefits of the Transaction.

Following completion of the Arrangement, former Molecule Shareholders will have the ability to significantly influence certain corporate actions of the Resulting Issuer

Immediately following the completion of the Arrangement, former Molecule Shareholders are expected to own approximately 90% of the Resulting Issuer Shares in the aggregate, on an undiluted basis, based on the number of outstanding Resulting Issuer Shares in the aggregate as of the date of this Circular, after giving effect to the Molecule Private Placement, assuming gross proceeds of $2,000,000. Accordingly, former Molecule Shareholders, now Resulting Issuer Shareholders will be in a position to exercise significant influence over all matters requiring Resulting issuer Shareholder approval, including the election of directors, determination of significant corporate actions, amendments to the Resulting Issuer's articles of incorporation and the approval of any arrangements, mergers or takeover attempts, in a manner that could conflict with the interests of other Resulting Issuer Shareholders. If former Molecule Shareholders voted in concert, they could exert significant influence over the Resulting Issuer.

There is no assurance that the Resulting Issuer will turn a profit or generate immediate revenues

The Resulting Issuer has no history of earnings or cash flow from operations and the Resulting Issuer may not generate material revenue or achieve self-sustaining operations for several years, if at all. There is no assurance as to whether the Resulting Issuer will be profitable, earn revenues, or pay dividends. The Resulting Issuer anticipates that it will incur substantial expenses relating to the development and initial operations of its investments and business.

The payment and amount of any future dividends will depend upon, among other things, Resulting Issuer's results of investments, operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Requirements for Further Financing and Dilution

The Resulting Issuer may not have sufficient financial resources to undertake all of the activities as currently planned beyond completion of the Transaction. In the event that the Transaction is completed, the Resulting Issuer may need to obtain further financing, whether through debt financing, equity financing or other means. To obtain such funds the Resulting Issuer may sell additional securities, the effect of which could result in substantial dilution of the equity interests of the holders of the Resulting Issuer Shares. There can be no assurance that Resulting Issuer will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders or that the terms of such financing will be favourable. Failure to obtain additional financing on a timely basis could cause the Resulting Issuer to reduce or terminate its operations.

The issuance of additional Resulting Issuer Shares could adversely affect the market price of the Resulting Issuer Shares

A significant number of additional Resulting issuer Shares will be issued and eventually available for trading on the CSE due to the issuance of Resulting Issuer Shares to Former Everton Shareholders and former holders of Molecule Shares. The increase in the number of Resulting Issuer Shares may lead to sales of such Resulting Issuer Shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, the Resulting Issuer Shares.

Resulting Issuer will have a limited operating history

The Resulting Issuer will not have a record of achievement to be relied upon. Resulting Issuer's operations are subject to all the risks inherent in the establishment of a new business enterprise, including a lack of operating history. Resulting Issuer cannot be certain that its investment strategy or development of Resulting Issuer's business will be successful. The likelihood of the Resulting Issuer's success must be considered considering the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If Resulting Issuer fails to address any of those risks or difficulties adequately, business will likely suffer.

Resulting Issuer may be vulnerable to unfavorable publicity or consumer perception

Cannabis and cannabis derivatives industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use cannabis industry.

The cannabis industry is subject to increasing competition

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Resulting Issuer. Because of the early stage of the industry in which the Resulting Issuer will operate, the Resulting Issuer will face additional competition from new entrants. If the number of users of marijuana products in Canada increases, the demand for products will increase and competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products and pricing strategies. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results, financial condition or prospects.

Ongoing Costs and Obligations

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Issuer's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Product Liability

Upon becoming a producer or distributor of products designed to facilitate cannabis ingestion by humans, the Resulting Issuer would face an inherent risk of exposure to product liability claims, regulatory action and litigation if such products are alleged to have caused significant loss or injury. In addition, tampering by unauthorized third parties or product contamination with respect to the cannabis used in such products may impact the risk of injury to consumers. Previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. As a supplier and/or producer and/or distributor and/or retailer of products designed to facilitate the consumption of cannabis, the Resulting Issuer may be subject to various product liability claims, including, among others, that the cannabis product caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer. There can be no assurances that the Resulting Issuer will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Resulting Issuer's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls can cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales. In addition, a product recall may require significant management attention. Although the Resulting Issuer will have detailed procedures in place for testing its products or require that third parties do the same where applicable, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Resulting Issuer's brands were subject to recall, the image of that brand and the Resulting Issuer could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Approvals

The Resulting Issuer may require advance approval of its products from authorities in the applicable jurisdiction. While the Resulting Issuer intends to follow the guidelines and regulations of each applicable local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of the Resulting Issuer's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Product Exchanges, Returns and Warranty Claims

If the Resulting Issuer is unable to maintain or cause the maintenance of an acceptable degree of quality control of products it produces or distributes, the Resulting Issuer may incur costs associated with the exchange and return of the products as well as servicing its customers for warranty claims. Any of the foregoing on a significant scale may have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Results of Future Clinical Research

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, dosing and/or social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although the proposed management of the Resulting Issuer believe that the articles, reports and studies support their respective beliefs regarding the medical benefits, viability, safety, efficacy, dosing and/or social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, holders or prospective purchasers of the Resulting Issuer Shares should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for the Resulting Issuer's products with the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Reliance on Key Inputs

The business of the Resulting Issuer would be dependent on a number of key inputs and their related costs including raw materials and supplies related to product development and manufacturing operations. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the Resulting Issuer's business, financial condition, and results of operations or prospects. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Resulting Issuer might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Resulting Issuer in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, results of operations or prospects of the Resulting Issuer.

Dependence on Suppliers and Skilled Labour

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Resulting Issuer's capital expenditure plans may be significantly greater than anticipated by the Resulting Issuer's management, and may be greater than funds available to the Resulting Issuer, in which circumstance the Resulting Issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer, such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Resulting Issuer Shares. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Operating Risks and Insurance

The Resulting Issuer's operations will be subject to hazards inherent in the cannabis industry, such as equipment defects, malfunction and failures, natural disasters which result in fires, accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment, labour disputes, and changes in the regulatory environment. These risks could expose the Resulting Issuer to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents would affect operating costs, insurability and relationships with customers, employees and regulators.

The Resulting Issuer will continuously monitor its operations for quality control and safety. However, there are no assurances that the Resulting Issuer's safety procedures will always prevent such damages. Although the Resulting Issuer will maintain insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Resulting Issuer will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits then maintained by the Resulting Issuer, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Resulting Issuer, the Resulting Issuer's ability to conduct normal business operations and on the Resulting Issuer's business, financial condition, results of operations and cash flows in the future.

Issuance of Debt

From time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Resulting Issuer's debt levels above industry standards for companies of similar size. Depending on future exploration and development plans, the Resulting Issuer may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Resulting Issuer. Neither the Resulting Issuer's notice of articles nor its articles will limit the amount of indebtedness that the

Resulting Issuer may incur. As a result, the level of the Resulting Issuer's indebtedness from time to time, could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Dilution

The Resulting Issuer may enter into financings or other transactions involving the issuance of securities of the Resulting Issuer which may be dilutive to the other shareholders and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares.

Discretion as to the Use of Available Fund

The Resulting Issuer's management will have broad discretion in how it uses the funds available to it. Management may use the available funds in ways that shareholders may not consider desirable. The results and the effectiveness of the application of the funds are uncertain. If the funds are not applied effectively, the results of the Resulting Issuer's operations may suffer. Management currently intends to allocate the available funds as described under "Total Funds Available", however, management may elect to allocate the funds differently from that described under "Total Funds Available" if it believes it would be in the Resulting Issuer's best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the available funds.

Changes in Laws, Regulations and Guidelines

The Resulting Issuer's operations will be subject to various laws, regulations, guidelines and licensing requirements. While the Resulting Issuer is expected to be in compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Resulting Issuer could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Constraints on Marketing Products

The development of the Resulting Issuer's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in Canada limits companies' abilities to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and results of operations could be adversely affected.

Economic Environment

The Resulting Issuer's operations could be affected by general the economic context conditions should the unemployment level, interest rates or inflation reach levels that influence consumer trends, and consequently, impact the Resulting Issuer's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Resulting Issuer's management.

INFORMATION CONCERNING EVERTON

Everton is a Canadian mineral exploration and development company incorporated November 7, 1996 under the *Business Corporations Act* (Alberta) and continued under the CBCA. Everton is engaged in the acquisition and exploration of mineral properties, with the aim of discovering commercially exploitable deposits of minerals (primarily precious metals), which can be disposed of for a profit to companies that wish to place such deposits into commercial production. Everton Shares are listed for trading on TSXV under the symbol "EVR".

Everton is a reporting issuer in British Columbia, Alberta, Quebec, and Ontario. Everton's head and registered offices are each located at 38 Scott Road, Chelsea, Quebec J9B 1R5.

Everton Mining Property

As at March 4, 2020, the only mineral property that Everton holds is its interest in the Opinaca Property. The Opinaca Property is divided into two properties, comprising of Opinaca A and Opinaca B. Everton currently holds a 50% interest in Opinaca A and a 25% interest in Opinaca B.

Trading Price and Volume Data

The following table sets forth the volume of trading and price ranges of the Everton Shares on the TSXV over the past 12 months:

Period	**High** C$	**Low** C$	**Volume**
February 2019	0.035	0.030	1,367,900
April 2019	0.035	0.025	1,419,120
May 2019	0.030	0.025	849,396
June 2019	0.030	0.025	906,320
July 2019	0.030	0.025	56,000
August 2019	0.025	0.025	N/A
September 2019	0.025	0.025	N/A
October 2019	0.025	0.025	N/A
November 2019	0.025	0.025	N/A
December 2019	0.025	0.025	N/A
January 2020	0.025	0.025	N/A
February 2020	0.025	0.025	N/A
March 1, 2020 to March 4, 2020	0.025	0.025	N/A

The closing price of the Everton Shares on the TSXV on July 5, 2019, the last trading day preceding the announcement of the Arrangement, was $0.025.

Prior Purchases and Sales

Excluding securities purchased or sold pursuant to the exercise of Everton Options, Everton has not issued Everton Shares during the 12 months prior to date hereof.

Outstanding Securities

The following securities of Everton are issued and outstanding:

(a) 93,134,470 Everton Shares;

(b) 3,300,000 Everton Options; and

(c) 16,267,500 Everton Warrants.

Description of Everton Shares

The holders of Everton Shares are entitled to receive notice of and to attend and vote at all meetings of the Everton Shareholders and each Everton Share confers the right to one vote in person or by proxy at all meetings of the Everton Shareholders. The Everton Shareholders are entitled to receive such dividends in any financial year as the Everton Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Everton, whether voluntary or involuntary, holders of Everton Shares are entitled to share rateably in such assets of Everton as are available for distribution.

Description of Everton Options

The Everton Options are options to purchase Everton Shares issued pursuant to the Everton Stock Option Plan adopted by the Everton Board in 2005 and last amended in August 21, 2017. As of the date of this Circular there are 3,300,000 Everton Options outstanding, which range in exercise price between $0.05 to $0.13 and consist of expiry dates of up to February 24, 2022.

Description of Everton Warrants

The Everton Warrants are warrants to purchase Everton Shares, as of the date of this Circular there are 16,267,500 Everton Warrants outstanding consisting of an exercise price of $0.07 and expiry dates of up to February 21, 2021.

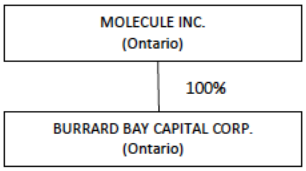
INFORMATION CONCERNING MOLECULE

Organizational Structure

Molecule was incorporated under the *Business Corporations Act* (Ontario) ("**OBCA**") on September 28, 2018. Molecule's registered and head office is located at 591 Reynolds Road, Lansdowne, ON K0E 1L0.

Molecule has one wholly-owned subsidiary, Burrard Bay Capital Corp., ("**Burrard**"), a company incorporated under the OBCA on January 29, 2018. Burrard Bay was acquired pursuant to a share exchange agreement dated June 13, 2019 and has not been and is not as at the date of this Circular operational.

The relationships among Molecule and its subsidiary is illustrated in the organizational chart below:



Molecule Shares are not currently listed on any stock exchange.

General Development of the Business of Molecule

Molecule intends to engage in the business of production and co-packing of cannabis infused beverages by providing the infrastructure, knowhow, technology, and license for craft beverage producers to create cannabis beverages.

Molecule's goal is to be the on-ramp for companies wishing to enter into the cannabis beverage market, but who do not wish to go through the significant process of obtaining a cannabis processing licence.

The following is a summary of the events that have influenced the general development of Molecule's business since its inception.

Corporation History

On or about December 7th, 2018, Molecule employed its Chief Beverage Scientist. Molecule has since engaged additional employees and consultants with particular skill and experience in cannabis molecular biology, beverage formation and canning and production in order to create a tailored team to aid in and expedite the growth of its business.

On or about March 4, 2019 Molecule completed and submitted its application to Health Canada for a standard processing licence, which is required in order to begin operations.

On or about April 1, 2019, Molecule executed a lease (the "**Lease**") with Thousand Island Farms Inc., a corporation wholly-owned by Andre Audet, (authorized by the independent director(s) of Molecule), for a property (the "**Property**") located in the Thousand Islands region of Ontario, Canada. Pursuant to the terms of the Lease, Molecule acquired an irrevocable option to purchase the Property during the term of the Lease. Molecule is in the process, as at the date of this Circular, of building the facility (the "**Facility**") to be used by Molecule for its business operations.

On February 28, Health Canada granted Molecule a standard processing licence (the "**Licence**") under the *Cannabis Regulations* (the "**Cannabis Regulations**"). The Licence authorizes Molecule to: possess cannabis; produce cannabis, other than obtaining it by cultivating, propagating or harvesting it; and to sell cannabis in accordance with subsection 17(5) of the Cannabis Regulations and in accordance with the conditions of the Licence. The Licence expires February 28, 2023.

Equity Financings and Acquisition

On or about December 31, 2018, Molecule completed a private placement offering of Molecule Shares, issuing 15,000,000 Molecule Shares for gross proceeds of $750,000.

On or about April 26, 2019, Molecule completed a private placement offering of Molecule Shares, issuing 37,600,000 Molecule Shares for gross proceeds of $3,760,000 (100,000 of which Molecule Shares were later repurchased for cancellation).

On or about June 13, 2019, Molecule entered into a share exchange agreement (the "**SEA**") with Burrard and its shareholders, whereby Molecule acquired all of the issued and outstanding securities of Burrard, including cash assets of $1,000,000, in consideration for the issuance of an aggregate 10,000,000 Molecule Shares.

Narrative Description of Business

Molecule's primary activity is that of producing and canning, cannabis infused beverages. Briefly, the process involves taking highly filtered, purified water, controlling for oxygen and dissolved gases, flavouring and processing in small craft batches, following highly specific dosing protocols to ensure specific quantities of infused cannabis, and canning, packaging and labeling to ensure compliant, shelf-

stable products. Products are filtered down to 0.4 microns, dosed with multiple redundancy checks, and always handled in the secure Facility.

Warehousing and Distribution

Finished products will be stored in a secure, climate-controlled Facility prior to being shipped to the appropriate provincial and territorial regulatory bodies. The space within Molecule's fenced and controlled area encompasses sufficient area to expand into a larger storage facility, envisioned to be built in 2020. Centrally located on Highway 401, between Toronto, Ottawa and Montreal, management believes Molecule is well-positioned as a distribution hub. Molecule will ship containers securely through third-party contracts.

Sales and Marketing

Molecule's business model is a co-packing operation, and as such management does not intend to produce its own beverages, thereby refraining from competing with its clients. In accordance with the rules and conditions of its Licence, Molecule will work with clients in two categories: a) those who wish to produce beverages; and b) the regulated, licenced bodies to which such beverages would be sold.

Molecule intends to work hand-in-hand with companies who wish to enter the cannabis market at all stages, from product development through to labelling, packaging and distribution. Molecule will work with such companies to develop their product and strategies and thereafter act as the licensed entity to be able to deliver such product to the next regulatory compliant body (province, retailer, etc.) Management believes this enables Molecule to ensure both consistent, high-quality products as well as full regulatory compliance.

As the regulated body in the foregoing relationship, Molecule will be responsible for ensuring that all products comply with the Cannabis Regulations and for working with the appropriate provincial and territorial bodies. This is a highly regulated and restrictive area in which to do business and Molecule's business is to streamline this process for those wishing to enter into this market.

Specialized Skills and Knowledge

To sell cannabis-infused products, facilities must be inspected and licensed by Health Canada and must comply with the Cannabis Act and Regulations. As such, strict measures regarding the production equipment, security, HVAC, quality assurance, lab equipment, product handling, and outsourcing agreements must be precisely performed and managed. Molecule believes it has developed a deep skill set in these key functional areas that must work in an integrated manner for its business to succeed. As the cannabis industry is highly regulated, typical business functions including acquiring, producing, packaging, and distributing cannabis containing products must be performed under very strict controls. For those entering into this market, the regulatory burden is significant and Molecule's role is to undertake this for its clients.

Notwithstanding the focus on cannabis infusion, Molecule is primarily a beverage business and, within the strictly regulated cannabis framework, Molecule's business model is to produce high-quality, craft beverages and intends to distinguish itself on this basis. Amy Proulx, a founder of Molecule and a proposed director of the Resulting Issuer, established and ran The Canadian Food and Wine Institute at Niagara College, Ontario. Rebecca Griffin, Chief Food Scientist, Molecule's first employee, has risen to become a Senior Research Associate. Each specializes in offering expertise and facilities to small and medium sized businesses which would otherwise not have such resources. Each has led in the production of a number of award-winning beverages as a result.

In addition to beverage design and development expertise, Molecule also employs industry leaders in regulatory and government relations, quality assurance, beverage sales and pipeline management, canning production, and packaging and distribution, with a proven history of selling cannabis to regulated provincial channels.

Competitive Environment

Operating in the cannabis industry in Canada requires one or more licences from Health Canada under the Cannabis Act and Regulation. Recreational cannabis products have been available Since October 17, 2018, however edible cannabis products, which includes beverages, were not permitted until October 17, 2019. As of November 26, 2019, Health Canada has issued a total of 293 cannabis licenses, of which 54 allow for the production and sale of edible cannabis products. Molecule expects that only a sub-component of those 48 will be producing beverages. Due to the licensing and notification system required by the regulations, there are currently no legal cannabis-infused beverages on the Canadian market.

Molecule acknowledges the probability of illegal growers and retailers operating in the black market in Canada. Although operating illegally, these organizations do act as competitors within the cannabis market by diverting customers or otherwise providing product without regulatory oversight. Despite this, Molecule believes there are no or few infused beverages available for sale due to the difficulty associated with their production.

Molecule anticipates other licenced producers will also begin to enter the cannabis beverage market.

New Products

Molecule does not intend to produce its own beverages but instead to produce beverages for other companies. Each new client will allow Molecule to expand the types of beverages it will produce and will allow Molecule to do so within already established production and marketing channels, thereby continuing to build on and grow established market relationships.

Cycles

Molecule believes cycles for the production of cannabis-infused beverages are shorter than those for the production of cannabis. Growing cannabis can take months to go from seed to harvest and therefore there are a limited number of cycles per year from within each facility licenced to grow cannabis. In addition, outdoor facilities are subject to weather fluctuations and seasonal changes. However, none of the foregoing concerns apply to the production of cannabis-infused beverages. While certain flavours may be more popular at different times of the year, beverages are consumed year-round. Further, Molecule's typical run volume is expected to be 10,000 litres, which will be produced within one day. This allows Molecule to adapt quickly to changes in market demand.

Economic Dependence

Molecule will engage in usual supply and contractual agreements. The two unique aspects of Molecule's business involve the purchase of regulated cannabis and the sale of cannabis-infused beverages through provincial authorities. As there are a number of licenced producers, Molecule does not anticipated that supply for its production to be a concern at this time. However, any change in the regulatory framework of the cannabis industry may impact the sale of cannabis. Similarly, changes in the provincial retail market could impact cannabis sales.

Molecule's ongoing review of the cannabis industry indicates an increase in provincial retail outlets in Canada and, within those jurisdictions in which cannabis has been legalized, consistently high margins arising cannabis-infused, consumable products, both of which may be beneficial to Molecule's business.

Regulatory Framework

On October 17, 2018, the Cannabis Act (the "**Act**"), also known as Bill C-45, came into force as law with the effect of legalizing the non-medical use of cannabis by adults across Canada. The Act replaced the Access to Cannabis for Medical Purposes Regulations, which previously permitted access to cannabis for medical purposes for only those Canadians who had been authorized to use cannabis by their health care practitioner. The Act permits the non-medical use of cannabis by adults and regulate the production, distribution and sale of cannabis and related oil extracts in Canada, for both non-medical and medical purposes.

In addition to the Act, the Federal Government of Canada published regulations, including the Cannabis Regulations. The Cannabis Regulations set out the product categories that are permitted for sale, including dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds, including "pre-rolled" and capsule products. In June 2019, Health Canada announced amendments to the Cannabis Regulations setting out the rules governing the legal production and sale of edible cannabis, cannabis extracts and cannabis topicals. As required by the Cannabis Act, the amended regulations came into force on October 17, 2019, with cannabis products becoming available at some time after, anticipated to be no earlier than mid-December 2019.

On May 8, 2019, Health Canada issued a statement setting out a requirement for all new applicants for licences to cultivate cannabis, process cannabis, or sell cannabis to have a fully built site that meets all the requirements of the Cannabis Regulations at the time of their application.

Selected Consolidated Financial Statements

The following table summarizes financial information of Molecule for the year ended October 31, 2019. This summary financial information should only be read in conjunction with the Molecule Audited Annual Consolidated Financial Statements and the corresponding management discussion and analysis, attached hereto as Schedule "B".

	Year Ended October 31, 2019
Operating Data:	
Total revenues	Nil
Net loss from operations	(1,112,622)
Basic and diluted loss per share	($0.02)
	As at October 31, 2019
Balance Sheet Data:	
Total assets	$5,050,528
Total liabilities	$732,328

Dividends

No dividends on Molecule Shares have been paid to date.

Description of Share Capital

Common Shares

The authorized capital of Molecule consists of an unlimited number of Class A, Class B, Class C, Class D and Class E common shares and Class F, Class G, Class H, Class I and Class J Preference Shares, of which as at the date of this Circular, 74,100,000 Class A Common Shares and 100 Class B Common Shares, together comprising the Molecule Shares, are issued and outstanding. 300,000 Molecule Shares have been issued and 600,000 Molecule Shares are anticipated to be issued in aggregate pursuant to an advisory agreement entered into by Molecule and Gravitas Securities Inc. in consideration for advisory services throughout the term of the agreement, 300,000 on March 15, 2020 and 300,000 on June 15, 2020.

The Molecule Shares have attached to them the following rights, privileges, restrictions and conditions:

Dividends: Subject to the prior rights attaching to the Preference Shares, the registered holders of the Molecule Shares shall be entitled to receive and the Corporation shall pay, any dividend declared by the directors, as and when declared by the directors in any financial years as the directors may by resolution determine, out of the moneys of Molecule properly applicable to the payment of dividends.

Participation in Assets on Dissolution: Subject to the prior rights attaching to the Preference Shares, the registered holders of the Molecule Shares shall be entitled to receive the remaining property of Molecule upon the liquidation, dissolution or winding-up of Molecule, whether voluntary or involuntary, and any other distribution of assets of Molecule among its shareholders for the purpose of winding-up its affairs.

Voting Rights: The holder of a Molecule Share shall be entitled to one (1) vote for each Molecule Share held (in person or by proxy), at any meeting of shareholders of Molecule (other than meetings of the holders of another class of shares).

Stock Options

There are 2,500,000 Molecule Options exercisable into 2,500,000 Molecule Shares.

Share Purchase Warrants

As at the Record Date, there were no Molecule Warrants issued and outstanding, however Molecule may issue 3,333,333 Molecule Warrants pursuant to the Molecule Private Placement.

Pursuant to the terms of the Arrangement Agreement, Molecule is entitled to issue additional securities to employees pursuant to existing or new ordinary course employment agreements, which may include Molecule Shares or Molecule Warrants.

Description of Share Capital

Common Shares

The following table sets forth the Molecule Shares as of the date hereof:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the Record Date
Molecule Class A Common Shares	Unlimited Number	74,100,000
Molecule Class B Common Shares	Unlimited Number	100

Share Purchase Warrants

As at the Record Date, there were no Molecule Warrants issued and outstanding

Stock Options

The following table sets forth the Molecule Options to acquire Molecule Shares outstanding as of the date hereof:

Number of Options	Exercise Price (C$)	Expiry Date
2,500,000	$0.10	Up to 5 years from the date of grant

Prior Sales

The following table summarizes the issuances of securities of Molecule within 12 months prior to the date hereof:

Date of Issue	Description	Number of Common Shares	Price per Share	Total Issue Price
September 28, 2018	Founder Shares (Class "B" Common Shares)(1)	100	$0.01	$1.00
November 30, 2018	Founder Shares – Private Placement (Class "A" Common Shares)(2)	10,000,000	$0.005	$50,000

Date of Issue	Description	Number of Common Shares	Deemed Price per Share	Total Deemed Issue Price
December 21, 2018	Private Placement (Class "A" Common Shares)[3]	13,000,000	$0.05	$650,000
December 31, 2018	Private Placement (Class "A" Common Shares)[3]	2,000,000	$0.05	$100,000
March 29, 2019	Private Placement (Class "A" Common Shares)[4]	5,650,000	$0.10	$565,000
April 5, 2019	Private Placement (Class "A" Common Shares)[4]	12,520,000	$0.10	$1,252,000
April 26, 2019	Private Placement (Class "A" Common Shares)[4]	19,430,000	$0.10	$1,943,000
June 13, 2019	Private Placement/Share Exchange (Class "A" Common Shares)[5]	10,000,000	$0.10	$1,000,000
September 15, 2019	Consulting Fees (Class "A" Common Shares) [6]	300,000	$0.10	$30,000
December 1, 2019	Employee Compensation (Class "A" Common Shares[7]	1,000,000	$0.10	$100,000
Total:		**74,100,100**		**$5,690,001**
Contemplated Issuances				
March 15, 2020	Consulting Fees (Class "A" Common Shares)[6]	300,000	$0.10	$30,000
June 15, 2020	Consulting Fees (Class "A" Common Shares) [6]	300,000	$0.10	$30,000

Notes:

(1) Initial shares issued to founder, Andre Audet.

(2) Issued to founders of Molecule.

(3) Private placement offering of Molecule Shares at $0.05 per Molecule Share. See section entitled "*General Development of the Business of Molecule*".

(4) Private placement offering of Molecule Shares at $0.10 per Molecule Share. See section entitled "*General Development of the Business of Molecule*".

(5) Issued pursuant to Share Exchange Agreement between Molecule, Burrard and its shareholders. See section entitled "*General Development of the Business of Molecule*".

(6) Issued/to be issued pursuant to advisory agreement between Molecule and Gravitas Securities Inc.

(7) Issued to an executive officer and director of Molecule pursuant to his employment arrangement.

Trading Price and Volume of Molecule Shares

The Molecule Shares are not traded on any stock exchange.

Escrow Securities and Securities Subject to Contractual Restrictions on Transfer

There are no securities of Molecule that are subject to escrow or restrictions on transfer other than standard limitations on transfer pursuant to the Articles of Molecule and applicable securities laws.

Principal Securityholders

As of the date of this Circular, there is no principal shareholder who owns more than 10% of the Molecule Shares.

Directors and Officers

Name, Occupation and Securityholdings

The names and province or state and country of residence of the directors and executive officers of Molecule, positions held by them with Molecule and their principal occupations during the past five years are as set forth below. The term of office of each of the present directors expires at the next annual general meeting of shareholders. After each such meeting, the Board of Directors appoints Molecule's officers and committees for the ensuing year. Following the completion of the Transaction, Andre Audet, Philip Waddington, Amy Proulx, Lindsay Weatherdon, and David Reingold will be the directors of the Resulting Issuer, and Andre Audet will be the President and Chief Executive Officer of the Resulting Issuer, and Brendan Stutt will be the Chief Financial Officer of the Resulting Issuer.

Name and Municipality of Residence Held	**Position**	**Principal Occupation**	**Number and Percentage of Molecule Shares(1)(2)**
Andre Audet Ontario, Canada	President, Chief Executive Officer and Director	*President and Chief Executive Officer of Molecule*	5,500,100 (7.4%)
Philip Waddington Quebec, Canada	Director	*Chief Regulatory Office of Molecule*	2,000,000 (2.7%)
Brendan Stutt, Ontario, Canada	Chief Financial Officer	Chief Financial Officer, Molecule	Nil

Notes:

(1)The information as to common shares beneficially owned or controlled has been provided by the directors or officers themselves.
(2)Percentage of Molecules Shares issued and outstanding as at the date of this Circular.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer (a) is, as at the date of this Circular, or has been, within ten years before the date of this document, a director or executive officer of any corporation (including Molecule) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No director, executive officer or shareholder holding a sufficient number of securities of Molecule to materially affect the control of Molecule (a) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any corporation (including Molecule) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity,

became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Molecule, or a shareholder holding sufficient number of securities of Molecule to affect materially the control of Molecule, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of Molecule's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of Molecule also serve as directors, please see the directors' and insider's profile available on SEDI at www.sedi.ca. To the extent that such other companies may participate in ventures in which Molecule may participate, the directors of Molecule may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of Molecule's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of Molecule making the assignment. Under the laws of Canada, the directors of Molecule are required to act honestly, in good faith and in the best interests of Molecule. In determining whether or not Molecule will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Molecule may be exposed and its financial position at that time.

Andre Audet is a director of Molecule and a director of Everton and Brendan Stutt is Chief Financial Officer of Molecule and Chief Financial Officer of Everton.

Executive Compensation

The following table, prepared in accordance with Form 51-102F6, sets forth all annual and long term compensation for services in all capacities to Molecule for the three most recently completed financial years of Molecule in respect of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and the CFO), as at October 31, 2019 whose total compensation was, individually, more than $150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of Molecule, nor acting in a similar capacity, for the most recently completed financial year ending October 31, 2019 (collectively the "Named Executive Officers" or "NEOs").

NEO Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-term Incentive Plans			
Andre Audet President, CEO and Director	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	40,000	Nil	22,378	Nil	Nil	Nil	Nil	62,378
Brendan Stutt, CFO	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	40,000	Nil	22,378	Nil	Nil	Nil	Nil	62,378

Compensation Discussion and Analysis

Molecule does not have in place any formal objectives, criteria or analysis for determining or assessing the compensation of its executive officers and directors, nor does it have a compensation committee.

Molecule is aware of the challenges that it faces in its present stage of development and the financial limitations of being a newly formed and fast-growing company in the nascent cannabis industry. Corporate performance and level of activity has been a consideration in determining compensation. As Molecule's business and operations grow in size and complexity, it is anticipated that it will establish a compensation committee with formal objectives and policies, including specific performance goals or benchmarks as such relate to executive compensation, that will review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within Molecule's industry.

The compensation of Molecule's officers and directors is based on an incentive philosophy with the intent that all efforts will be directed toward a common objective of creating shareholder value. The compensation strategy is to attract talent and experience with focused leadership in the operations, financing, and management of Molecule with the objective of maximizing the value of Molecule. The officers and board of directors each have defined skills and experience that are essential to a fast-growing company in the emerging cannabis industry.

Base Salary or Consulting Fees

Compensation has been initially determined upon a review of companies within the manufacturing and cannabis industries, which were of the same size as Molecule, at the same stage of development as Molecule and considered comparable to Molecule.

Going forward, in determining the base salary of an executive officer, the board of directors of Molecule would consider the following factors:

(a) the particular responsibilities related to the position;

(b) salaries paid by other companies that are similar in size and scope of business;

(c) the experience level of the executive officer;

(d) the amount of time and commitment which the executive officer devotes to Molecule; and

(e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Incentive Compensation

Molecule's objective is to achieve certain strategic objectives and milestones. The board of directors of Molecule will consider executive bonus compensation dependent upon Molecule meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The board of directors of Molecule approves executive bonus compensation dependent upon compensation levels based on information provided by issuers that are similar in size and scope to Molecule's operations.

Equity Participation

Molecule has a stock option plan (the "**Plan**") in place and 2,500,000 stock options issued and outstanding, each with an exercise price of $0.10 per share, expiring five (5) years from the date of grant, subject to earlier termination in accordance with the terms of the Plan. Pursuant to the terms of the Plan, optionees who exercise options will be entitled to receive common shares of the Resulting Issuer following the completion of the Transaction.

Actions, Decisions or Policy Changes

Given the evolving nature of Molecule's business, the board of directors of Molecule continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Risks Associated with Molecule's Compensation Practices

Molecule's directors have not considered the implications of any risks to Molecule associated with decisions regarding Molecule's compensation program. Molecule intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with Molecule's compensation program and how it might mitigate those risks.

Benefits and Perquisites

All officers and directors are entitled to participate in a group benefits plan that provides health, dental, and out-of-country benefits coverage subject to the eligibility requirements set out in the plan.

Hedging by Named Executive Officers or Directors

Molecule has not adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors.

Outstanding Share-Based Awards and Option-Based Awards

Molecule does not currently have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the NEOs.

Pension Plan Benefits

Molecule does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

Molecule has entered into consulting agreements with its CEO and CFO, which allow for the agreement to be terminated upon 30 days' notice in the case of the CEO and 30 days' notice in the case of the CFO.

Director Compensation

The directors of Molecule do not receive any compensation or fees in their capacity as directors. Other than described herein, there were no other arrangements under which directors were compensated by Molecule during the two most recently completed financial years for their services in their capacity as directors.

Indebtedness of Directors and Officers

During the period from incorporation to the date of this Circular, no director or executive officer of Molecule (nor each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) Molecule or its subsidiaries, or (ii) any other entity which is, or was at any time during the period of incorporation to the date of this Circular, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Molecule or its subsidiaries

Legal Proceedings and Regulatory Actions

To the best of Molecule's knowledge, there were no legal proceedings as of the date of this Circular to which Molecule was a party or of which any of Molecule's property was subject that would have had a material adverse effect on Molecule, nor are there any such legal proceedings existing or contemplated to which Molecule is a party or of which Molecule's property is subject that would have a material adverse effect on Molecule.

There have been no penalties or sanctions imposed against Molecule by a court relating to securities legislation or by a securities regulatory authority as of the date of this Circular, or any other time that would likely be considered important to a reasonable investor making an investment decision in Molecule. Molecule has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority as of the date of this Circular**.**

Interests of Management and Other in Material Transactions

Other than transactions carried out in the ordinary course of business of Molecule or disclosed herein, including in particular in connection with the Lease, none of the directors or executive officers of Molecule, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Molecule Shares, nor an associate or affiliate of any of the foregoing persons has had, since incorporation, any material interest, direct or indirect, in any transactions that materially affected or would materially affect Molecule.

Interests of Certain Persons or Companies in Matters to be Acted Upon

Other than the election of directors of the Resulting Issuer or the appointment of auditors, no (a) person who has been a director or executive officer of Molecule at any time since the beginning of Molecule's last financial year, (b) proposed nominee for election as a director of Molecule or the Resulting Issuer; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except that Andre Audet, a proposed director of the Resulting Issuer, will own 6,219,170 Resulting Issuer Shares and 500,000 Resulting Issuer Options, Brendan Stutt, proposed Chief Financial Officer of the Resulting Issuer, will own 300,000 Resulting Issuer Options, and Phil Waddington, proposed director, President and Chief Executive Officer of the Resulting Issuer, will own 2,000,000 Resulting Issuer Shares and 300,000 Resulting Issuer Options, and Andre Audet, indirectly through a corporation named Thousand Island Farms Inc., will be party to a lease agreement dated April 1, 2019 with the Resulting Issuer.

Material Contracts

The material contracts into which Molecule has entered into since its incorporation before the date of this Circular are:

(a) Lease dated April 1, 2019, with Thousand Island Farms Inc., a corporation owned and/or controlled by Andre Audet. See section entitled "*General Developments of the Business of Molecule*."; and

(b) Advisory Agreement dated June 13, 2019, with Gravitas Securities Inc. See section entitled "*General Developments of the Business of Molecule*."

(c) Share Exchange Agreement dated June 13, 2019 with Burrard Bay Capital Corp. and its shareholders. See section entitled "*General Developments of the Business of Molecule*."

INFORMATION CONCERNING THE RESULTING ISSUER

General Overview

After completion of the Arrangement, Everton and Molecule expect that the business and operations of Everton and Molecule will be consolidated, with the primary business of the Resulting Issuer being that of Molecule, and that the head and registered office of the Resulting Issuer will be located at 591 Reynolds Road, Lansdowne, ON K0E 1L0.

Total Funds Available

Following the close of the Arrangement, including the sale of the Precipitate Gold Shares, anticipated to be prior thereto, the total available funds of the Resulting Issuer are anticipated to be approximately $4,558,187.

Projected Use of Funds

Source	**Funds Available**
Everton Working Capital deficit as at October 31, 2019	($459,584)
Molecule Working Capital as at October 31, 2019	$2,119,671
Minimum Gross Proceeds from the Molecule Private Placement[(1)]	$2,000,000
Proceeds of Sale of Precipitate Gold Corp Shares[(2)]	$655,000
Settlement of debt[(3)]	$243,100
Available Funds of the Resulting Issuer	**$4,558,187**
Principal Purpose	
Expenses related to the completion of the Transaction[(4)]	$200,000
Capital expenditures related to construction/retrofitting of facility	$825,000
Capital expenditures related to purchase of equipment	$1,050,000
Principal Purpose	
General and administrative costs estimated for operating 12 months[(5)]	$1,525,000
Total Expenses	**$4,558,187**
Unallocated	$958,187

Notes:

(1) Representing minimum gross proceeds, being a condition of closing of the Arrangement.

(2) This figure includes the proceeds from the sale of 4,500,000 common shares of Precipitate Gold Corp., at a price of $0.05 per share, and assumes a further disposition of an aggregate of 2,150,000 common shares of Precipitate Gold Corp., at an anticipated price of $0.20 per share. There no guarantee that the Resulting Issuer shall be able to dispose of any additional shares of Precipitate Gold Corp.

(3) Represents indebtedness owed to Andre Audet, as a creditor of Everton (in that capacity, the "**Everton Creditor**") related to advances and loans that he has made to Everton in order to satisfy Everton's minimum working capital

needs in the absence of any reasonable third party funding alternatives. To be converted into 810,333 Resulting Issuer Shares.

(4) Represents legal fees, audit fees, cost of fairness opinion and listing fees.

(5) General and administrative costs includes: wages, taxes and benefits ($1,200,000); lease payments ($60,000); rent and utilities ($45,000); insurance ($100,000); and professional fees ($120,000).

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those referred to under the section entitled "*Risk Factors*". However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12-month period.

Directors and Executive Officers of the Resulting Issuer

Following completion of the Arrangement, the Resulting Issuer Board will (i) consist of 5 directors, expected to be: Andre Audet, Philip Waddington, Amy Proulx, Lindsay Weatherdon and David Reingold. In all cases, each such nominee shall satisfy the director qualification requirements of the CBCA, shall be subject to applicable regulatory approvals and shall otherwise possess the skills and aptitude necessary to serve as a director of a publicly-traded reporting issuer in Canada. Everton and Molecule may mutually decide to change the composition of the Resulting Issuer Board or appoint any other individual as a member of the Resulting Issuer Board at the Effective Time.

Description of Share Capital

The Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Shares. Upon completion of the Arrangement, before giving effect to the Private Placement, it is anticipated that there will be:

(a) 84,523,880[4] Resulting Issuer Shares issued and outstanding, of which 9,313,447 will be held by the Former Everton Shareholders, 810,333[5] will be held by the Everton Creditor, and 74,400,100 will be held by former Molecule Shareholders;

(b) 9,313,447 Resulting Issuer Preferred Shares issued and outstanding to the Former Everton Shareholders exclusively;

(c) 2,830,000 Resulting Issuer Options issued and outstanding, of which 330,000 will be held by former holders of Options and 2,500,000 will be held by former holders of Molecule Options; and

(d) 1,626,750 Resulting Issuer Warrants issued and outstanding, of which 1,626,750 will be held by the former holders of Warrants.

[4] Subject to increase in relation to the issuance of Molecule Units, each Molecule consisting of one Molecule Share and one-half of one Molecule Warrant, pursuant to the Molecule Private Placement. The closing of a minimum Molecule Private Placement of minimum proceeds of $2,000,000 at a price of $0.30 per Molecule Unit.

[5] 810,333 Everton Shares (the "**Everton Creditor Shares**") that will be converted into Everton Shares from $243,100 of indebtedness of Everton at a price of $0.30 per Everton Share, such indebtedness owed to Andre Audet, as a creditor of Everton (in that capacity, the "**Everton Creditor**") immediately prior to the Effective Time (the "**Debt Conversion**"). The indebtedness relates to for advances and loans that he has made to Everton in order to satisfy Everton's minimum working capital needs in the absence of any reasonable third party funding alternatives.

The following is a summary of the rights, privileges, restrictions and conditions attached to the Resulting Issuer Shares and Resulting Issuer Preferred Shares.

Resulting Issuer Shares

Holders of Resulting Issuer Shares will be entitled to notice of and to attend and vote at any meeting of the Resulting Issuer Shareholders, except a meeting of which only holders of another class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, Resulting Issuer Shareholders will be entitled to one vote in respect of each Resulting Issuer Share held.

As long as any Resulting Issuer Shares remain outstanding, the Resulting Issuer will not, without the consent of the holders of the Resulting Issuer Shares by separate special resolution, alter or amend the articles of the Resulting Issuer if the result of such alteration or amendment would prejudice or interfere with any right or special right attached to the Resulting Issuer Shares.

Resulting Issuer Shareholders will be entitled to receive as and when declared by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. Holders of fractional Resulting Issuer Shares will be entitled to receive any dividend declared on the Resulting Issuer Shares in an amount equal to the dividend per Resulting Issuer Share multiplied by the fraction thereof held by such holder.

In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Resulting Issuer Shares will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the Resulting Issuer Shares, be entitled to participate rateably in the amount of such distribution owing per Resulting Issuer Share. Each fraction of a Resulting Issuer Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Resulting Issuer Share.

Resulting Issuer Preferred Shares

If the Everton Shareholders approve the Securities Exchange and the security holders of Molecule approve the Arrangement, immediately prior to giving effect to the Arrangement, the articles of Everton will be amended to create the Resulting Issuer Preferred Shares and the Everton Board, in its sole discretion, will issue to each Everton Shareholder, as a stock dividend, one Resulting Issuer Preferred Share for each Everton Share held on the Record Date (as defined herein). The purpose of the Resulting Issuer Preferred Shares is to provide current Everton Shareholders with a right to receive, on a pro rata basis, an economic benefit, subject to an aggregate maximum of up to $500,000, in the event that any of the Everton mining royalties are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Resulting Issuer Preferred Shares. If triggered, the Resulting Issuer Preferred Shares would be redeemable, on a pro rata basis, for cash. The Resulting Issuer Preferred Shares would otherwise not have any rights or recourses. The proposed distribution of the Resulting Issuer Preferred Shares remains within the sole discretion of the Everton Board and is not contingent on completion of the Arrangement.

Unaudited *Pro Forma* Consolidated Financial Information

The selected pro forma financial information of the Resulting Issuer set forth below should be read in conjunction with the pro forma financial statements of the Resulting Issuer and the accompanying notes thereto attached as Schedule "C" to the Circular. The unaudited pro forma consolidated statements of financial position and the unaudited pro forma consolidated statement of operations are comprised of information derived from the financial statements for each of Everton and Molecule for the most recently completed annual financial periods.

The unaudited pro forma consolidated statements of financial position gives effect to the Arrangement as if the Arrangement had occurred on October 31, 2019. The unaudited pro forma consolidated statement of operations gives effect to the Arrangement as if the Arrangement had occurred at the beginning of the financial period covered by such statements.

The summary of unaudited pro forma consolidated financial information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected in the applicable financial statements occurred on the dates indicated. Actual amounts recorded upon consummation of the Arrangement will differ from the pro forma information presented herein. No attempt has been made to calculate or estimate potential synergies between Everton and Molecule. The unaudited pro forma consolidated financial statement information set forth herein is extracted from and should be read in conjunction with the unaudited pro forma consolidated financial statements and the accompanying notes included in Schedule "C" to the Circular.

Unaudited Pro forma Consolidated Statements of Financial Position as at October 31, 2019

All figures presented are in CAD$	Molecule	Everton	Adjustments	Pro forma Consolidated
Total Assets	5,050,528	978,134	1,799,999	7,828,661
Total Liabilities	732,328	473,467	(243,100)	962,695
Total Shareholders' Equity (Deficit)	4,318,200	504,667	2,043,099	6,865,966

Unaudited Pro forma Consolidated Statements of Operations for the year ended October 31, 2019

All figures presented are in CAD$	Molecule	Everton	Adjustments	Pro forma Consolidated
Loss From Operations	(1,112,622)	(285,270)	(200,000)	(1,597,892)
Net Income (Loss)	(1,091,247)	(2,920,353)	(2,145,148)	(6,156,748)
Net Loss Attributable to Shareholders of the Resulting Issuer	–	–	–	(0.13)

Auditors, Transfer Agent and Registrar

The auditors of the Resulting Issuer following completion of the Arrangement will be McGovern Hurley LLP at its principal office in 251 Consumers Rd Suite 800, North York, ON M2J 4R3. The transfer agent and registrar for the Resulting Issuer Shares in Canada will be Computershare Trust Company of Canada at its principal office in Montreal, Quebec.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Arrangement as they pertain to Everton will be passed upon by McMillan LLP. Certain Canadian legal matters in connection with the Arrangement as they pertain to Molecule will be passed upon by ECS Law Professional Corporation and Berkow Youd Lev-Farrell Das LLP.

As of the date of this Circular, the partners and associates of McMillan LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding Everton Shares or shares of any of Everton's associates or affiliates.

As of the date of this Circular, the partners, principals and associates of ECS Law Professional Corporation, and of Berkow Youd Lev-Farrell Das LLP as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding Molecule Shares or shares of any of Molecule's associates or affiliates.

ADDITIONAL INFORMATION

Additional information relating to Everton is available on SEDAR at www.sedar.com. Everton Shareholders may contact Everton at 38 Scott Road Chelsea, Quebec J9B 1R5 to request copies of Everton's financial statements and management's discussion and analysis. Financial information is provided in Everton's financial statements and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR.

GLOSSARY OF TERMS

In this Circular, the following capitalized words and terms shall have the following meanings:

"**ACMPR**" means Access to Cannabis for Medical Purpose Regulations.

"**Advisory Agreement**" means the agreement dated June 13, 2019 and effective June 15, 2019 between Molecule and Gravitas Securities Inc. with respect to certain advisory services provided to Molecule.

"**Agreed Amount**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Everton Shareholders Resident in Canada – Section 85 Election"*

"**allowable capital loss**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Everton Shareholders Resident in Canada – Taxation of Capital Gains and Capital Losses"*.

"Arrangement" means an arrangement under the provisions of Section 182 of the OBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court in the Final Order.

"Arrangement Agreement" means the arrangement agreement dated November 27, 2019 among Everton and Molecule including all schedules attached thereto, and as the same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the full text of which may be viewed on SEDAR at www.sedar.com.

"**Arrangement Consideration**" means: (i) one Everton Share (on a post-consolidated basis) for each Molecule Share issued and outstanding; (ii) one Everton Option for each issued and outstanding Molecule Option; and (iii) one Everton Warrant for each issued and outstanding Molecule Warrant.

"**Articles Amendment**" means the creation of a class of preferred shares in the capital of Everton by amending the articles of Everton under the CBCA;

"**Articles of Amendment**" means the creation of a class of preferred shares in the capital of Everton by amending the articles of Everton under the CBCA.

"**Audit Committee**" means the audit committee of Everton.

"**Broadridge**" means Broadridge Financial Solutions, Inc. in Canada and its counterpart in the United States.

"**Business Combination**" means the proposed business combination of Everton and Molecule.

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario.

"**Canada-US Tax Treaty**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dividends on Resulting Issuer Shares"*.

"Canadian Securities Laws" means applicable Canadian provincial and territorial securities Laws.

"CBCA" means the *Canada Business Corporations Act*.

"**CDS**" means CDS Clearing and Depositary Services Inc. or its nominee, which at the date of this Circular is CDS & Co.

"**CDSA**" means the *Controlled Drug and Substance Act*.

"**Circular**" means this management information circular, including all Schedules hereto, and all amendments and supplements hereto.

"**Charter**" means the governing charter of the Audit Committee as attached in Schedule "D".

"**Compensation Committee**" means the compensation committee of Everton.

"**Consolidation**" means the consolidation of the Everton Shares on the basis of one post-consolidation Everton Share for each 10 pre-consolidation Everton Share.

"**Consolidation Ratio**" has the meaning ascribed to such term under the heading *"The Everton Share Consolidation – Effects of Consolidation"*.

"Consolidation Resolution" means a special resolution approving the Consolidation of the Everton Shares.

"**CSE**" means the Canadian Securities Exchange.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"CRA" means Canada Revenue Agency**.**

"CSE" means the Canadian Stock Exchange**.**

"Debt Conversion" creditors of Everton will convert $323,100 of indebtedness (inclusive of interest) into an aggregate of 1,077,000 Everton Shares at a deemed issue price of $0.30 per Everton Share.

"**Delisting**" means the delisting of Everton from the TSXV.

"**Delisting Resolution**" means an ordinary resolution of the majority of the minority of Everton Shareholders to delist the Everton Shares from the TSXV in accordance with TSXV Policy 2.9.

"**Depositary**" means Computershare Trust Company of Canada, the depositary for Everton Shares to be exchanged for the Resulting Issuer Shares.

"**Designated Stock Exchange**" means a stock exchange, or that part of a stock exchange, for which a designation by the Minister of Finance (Canada) under section 262 of the Tax Act is in effect.

"**DeVisser Gray**" means DeVisser Gray LLP.

"**Effective Date**" means the date shown on the Certificate of Arrangement of the Resulting Issuer in respect of the Arrangement.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time on the Effective Date as Everton and Molecule may agree to in writing before the Effective Date.

"**Eligible Molecule Shareholder**" means an Molecule Shareholder, other than a Dissenting Shareholder, who is: (i) a Canadian Resident, or (ii) an Eligible Non-Resident.

"**Encumbrance**" means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under applicable law relating to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario.

"Everton" means Everton Resources Inc., a corporation existing under the CBCA.

"Everton Articles" means the articles of Everton.

"Everton Board" means the board of directors of Everton.

"Everton Creditor" means Andre Audet in his capacity as a creditor of Everton.

"**Everton Creditor Shares**" means the Everton Shares that will be exchanged for Resulting Issuer Shares pursuant to the conversion of $267,000 of indebtedness of Everton owed to the Everton Creditor, at a price of $0.30 per Everton Share.

"Everton Directors" means the directors of Everton.

"Everton Directors Resolution" means the ordinary resolution electing the Everton Directors for the ensuing financial year.

"Everton Meeting" or "Meeting" means the special meeting, including any adjournments or postponements thereof, of the Everton Shareholders to be held, among other things, to consider and, if deemed advisable, to approve the: (i) the appointment of the auditor; (ii) the Everton Directors Resolution; (iii) the Securities Exchange Resolution; (iv) the Consolidation Resolution; (v) the Name Change Resolution; (vi) Preferred Share Resolution; (vii) the Resulting Issuer Director Resolution; (viii) the Stock Option Plan Resolution; and (ix) the Delisting Resolution.

"**Everton Options**" means the options to purchase Everton Shares pursuant to the Stock Option Plan.

"Everton Proxy" means the form of proxy delivered to Everton Shareholders.

"**Everton Shareholders**" means the holders of Everton Shares.

"**Everton Shares**" means the common shares in the capital of Everton (on a pre-consolidation basis, unless the context requires otherwise).

"Everton Subsidiary" or "Everton Subsidiaries" means, collectively, Everton Minera Dominicana S.A. (Dominican Republic), Pan Caribbean Metals Inc. (British Virgin Islands), Dominican Metals Inc. (British Virgin Islands), Everton Dominicana (2014) Inc. (Ontario), Linear Gold Caribe S.A. (Dominican Republic), Hays Lake Gold Inc. (Canada).

"**Everton Warrants**" means warrants to purchase Everton Shares.

"**Exchange Ratio**" means the ratio of one-for-one, in the manner that each Molecule Share will be exchanged for one post-Consolidation Everton Share.

"Fairness Opinion" means the opinion of the Financial Advisor to the effect that, as of the date of such opinion, the one (1) post-Consolidation Everton Share to be received by the Molecule Shareholders for each one (1) Molecule Share, is fair, from a financial point of view, to the Molecule Shareholders.

"**Final Order**" means the final order of the Court approving the Arrangement, in form and substance acceptable to Everton and Molecule, each acting reasonably, granted pursuant to Section 182(5)(f) of the OBCA, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Everton and Molecule, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both Everton and Molecule, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Financial Advisor**" means M Partners Inc.

"**Former Everton Shareholders**" means former Everton Shareholders after the Effective Date.

"Governmental Entity" means (i) any supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing; (ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; and (iii) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies.

"Holder" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations"*.

"IFRS" means International Financial Reporting Standards formulated by the International Accounting Standards Board, as updated and amended from time to time.

"**Independent Committee**" means the independent committee formed by the Everton Board to evaluate the merits of the Transaction, whose members consisted of Michel Fontaine (Chair), Steven Mintz, and Keith Stein.

"**Interim Order**" means the Interim Order granted by the Court with respect to the Arrangement.

"**Intermediary**" has the meaning ascribed to such term under the heading *"Voting for Non-Registered Everton Shareholders"*.

"Laws" means any laws, including, without limitation, supranational, national, provincial, state, municipal and local civil, cannabis, commercial, banking, tax, personal and real property, security, mining, environmental, water, energy, investment, property ownership, land use and zoning, sanitary, occupational health and safety laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other requirements of any Governmental Entity.

"**Letter of Transmittal**" means a letter of transmittal to be completed by Everton Shareholders in connection with the Arrangement with respect to receiving their Resulting Issuer Shares.

"Material Adverse Change" means, in respect of any Person, any one or more changes, events or occurrences, and "Material Adverse Effect" means, in respect of any Person, an effect which, in either case, either individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (including, without limitation, any contingent liabilities that may arise through outstanding or pending litigation), capitalization, financial condition or operations of that person and its subsidiaries taken as a whole, other than any effect (i) relating to the Canadian economy, political conditions or securities markets in general; (ii) affecting the global mining industry in general; (iii) relating to in the market price of base or precious metals or relating to changes in currency exchange rates, interest rates, monetary policy or inflation; (iv) any action or inaction taken by any person to which such action or inaction has been expressly consented to in writing or as expressly permitted by this Agreement; (v) relating to any generally applicable change in applicable Laws or regulations (other than orders, judgments or decrees against that person or any of its subsidiaries) or generally applicable change in IFRS; (vi) relating to a change in the market trading price of shares or trading volume of that person, either: (A) related to the Arrangement Agreement and the Arrangement; or (B) primarily resulting from a change, effect, event or occurrence excluded from this definition of Material Adverse Effect under clause (i), (ii), (iii), (iv) or (v); provided, however, that such effect referred to in clause (i), (ii), (iii), (iv) or (v) above does not primarily relate only to (or have the effect of primarily relating only to) that person and its subsidiaries, taken as a whole, or disproportionately adversely affect that person and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which that person and its subsidiaries operate.

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Molecule**" means Molecule Inc., a corporation existing under the OBCA.

"**Molecule Dissent Rights**" means a Molecule Dissenting Shareholder's right to dissent in connection with the Arrangement with respect to their Molecule Shares under Section 185 of the OBCA as modified by the Interim Order, the Final Order, and Section 4.1 of the Plan of Arrangement.

"**Molecule Dissenting Shareholder**" means a registered Molecule Shareholder as of the record date of the Molecule Meeting who has properly exercised its Molecule Dissent Rights and has not withdrawn or been deemed to have withdrawn such Molecule Dissent Rights, but only in respect of Molecule Shares in respect of which Molecule Dissent Rights are properly exercised by such Molecule Shareholder.

"**Molecule Meeting**" means the meeting of Molecule Shareholders to vote in respect of the Arrangement.

"**Molecule Options**" means the outstanding options to purchase Molecule Shares granted pursuant to the Molecule Stock Option Plan.

"**Molecule Private Placement**" has the meaning ascribed to such term under the heading *"Summary of Circular - Molecule Private Placement"*.

"**Molecule Resolution**" means the special resolution of the Molecule Shareholders at the Molecule Meeting to approve the Arrangement.

"**Molecule Shareholders**" means, at any time, the holders of Molecule Shares.

"**Molecule Shares**" means the collectively, the Class A and Class B common shares in the capital of Molecule.

"**Molecule Stock Option Plan**" means the stock option plan of Molecule, as approved by the Molecule Shareholders.

"**Molecule Subsidiary**" means Burrard Bay Capital.

"**Molecule Warrants**" means the outstanding warrants to purchase Molecule Shares.

"**Name Change**" means the proposed named change of the Resulting Issuer from "Everton Resources Inc." to "Molecule Holdings Inc."

"**Name Change Resolution**" a special resolution approving an amendment to the articles of Everton to change its name to Molecule Holdings Inc.

"NCR" means the Narcotic Control Regulations.

"**NEO**" means name executive officer.

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer.*

"**NOBOs**" means non-registered shareholders who do not object to their name being made known to the issuer of securities.

"**Non-Registered Everton Shareholder**" means a non-registered holder of Everton Shares.

"**Non-Resident Holder**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Holders Not Resident in Canada"*.

"**Notice of Meeting**" the notice announcing the annual general and special meeting of Everton Shareholders to take place on April 6, 2020.

"**OBCA**" means the *Business Corporations Act* (Ontario) and the regulations made thereunder.

"**Opinaca Property**" means the Opinaca mining property located in Quebec, Canada and in which Everton holds an interest in.

"**Opinaca A**" means the part of the Opinaca Property adjacent to the northern boundary of gold deposit property owned by Goldcorp Inc.

"**Opinaca B**" means the part of the Opinaca Property located eight kilometers southeast of the gold deposit property owned by Goldcorp Inc.

"**Order**" has the meaning ascribed to such term under the heading *"Corporate Cease Trade Orders, Bankruptcy, and Penalties"*.

"**Parties**" means Everton and Molecule, and "**Party**" means any of them.

"**Person**" means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement in respect of the Arrangement attached as Schedule "F" to this Circular, and any amendments or variations thereto made in accordance with the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court.

"**Preferred Shares**" means the outstanding preferred shares of Everton.

"**Preferred Share Amendment**" has the meaning ascribed to such term under the heading *"Preferred Share Resolution"*.

"**Preferred Share Resolution**" means the special resolution to authorize Everton to amend its articles to modify Everton's authorized share capital by amending the rights of the Preferred Shares that may be issued in one or more series, with the rights and restrictions attaching thereto that allow the Everton Directors to fix the number of Preferred Shares in the series and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attaching to the Preferred Shares of that series, with the full text of the share terms of the Preferred Shares attached as Schedule "E" to this Circular.

"**Proposed Amendments**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations"*.

"**Record Date**" means February 7, 2020.

"**Registered Everton Shareholder**" means a registered holder of Everton Shares as recorded on the shareholder register of Everton maintained by Computershare Trust Company of Canada.

"**Resident Holder**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Everton Shareholders Resident in Canada"*.

"**Resulting Issuer**" means the successor corporation under the statutory arrangement of Molecule pursuant to section 182 of the OBCA.

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer.

"**Resulting Issuer Board Nominees**" means André Audet, Philip Waddington, Amy Proulx, Lindsay Weatherdon and David Reingold.

"**Resulting Issuer Director Resolution**" means an ordinary resolution electing the Resulting Issuer Board Nominees.

"**Resulting Issuer Options**" means stock options of the Resulting Issuer exercisable for Resulting Issuer Shares.

"**Resulting Issuer Preferred Shares**" means the class of preferred shares issued and held by Former Everton Shareholders which contain the right to receive, on a pro rata basis, an economic benefit, subject to an aggregate maximum of up to $500,000, in the event that any of the Everton mining royalties are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Resulting Issuer Preferred Shares.

"**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer.

"**Resulting Issuer Warrants**" means warrants of the Resulting Issuer exercisable for Resulting Issuer Shares.

"**RRIF**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Eligibility for Investment".*

"**RRSP**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Eligibility for Investment".*

"**Section 85 Election**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Everton Shareholders Resident in Canada – Section 85 Election"*.

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder.

"**Securities Authorities**" means the securities regulatory authorities in each of the provinces and territories of Canada.

"**Securities Laws**" means the Securities Act and the regulations thereunder and all other applicable Canadian Securities Laws.

"**Securities Exchange Resolution**" means the ordinary resolution of the Everton Shareholders voting at the Everton Meeting, in person or by proxy, to approve the issuance of Everton Shares that will be issued or issuable under the Arrangement, the full text of which is set out in under the section *"The Arrangement and the Securities Exchange Resolution"*.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"Stock Option Plan" means the stock option plan of Everton, as approved by the Everton Shareholders.

"**Stock Option Plan Resolution**" means the special resolution to confirm, authorize, and approve the Stock Option Plan.

"**Tax**" and "**Taxes**" means all federal, state, local, provincial, branch or other taxes, including, without limitation, income, gross receipts, windfall profits, value added, ad valorem, property, capital, net worth, production, sales, use, licence, excise, franchise, employment, sales taxes, use taxes, value added taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, pension plan premiums, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, mining taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as may be amended from time to time.

"**Tax Election Instructions**" means information, to be provided by Everton in accordance with Section 3.3 of the Plan of Arrangement, containing instructions to permit an Eligible Molecule Shareholder to make a Section 85 Election.

"**taxable capital gain**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Taxation of Capital Gains and Capital Losses"*.

"**TFSA**" has the meaning ascribed to such term under the heading *"Principal Canadian Federal Income Tax Considerations – Eligibility for Investment"*.

"**Transfer Agent**" means Computershare Trust Company of Canada.

"**Transaction**" means the transactions contemplated under the Arrangement Agreement.

"**TSXV**" means the TSX Venture Exchange.

"**TSXV Policy 2.9**" means Policy 2.9 – Trading Halts, Suspensions and Delisting of the TSXV Corporate Finance Manual.

"**TSXV Policy 5.9**" means Policy 5.9 – *Protection of Minority Security Holders in Special Transactions* of the TSXV Corporate Finance Manual.

"**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**U.S. Exchange Act**" means the *United States Securities Exchange act of 1934*, as the same has been, and hereafter from time to time may be, amended.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as the same has been, and hereinafter from time to time may be, amended.

"**U.S. Securities Laws**" means all applicable securities legislation in the U.S., including without limitation, the U.S. Securities Act and the U.S. Exchange Act, and the rules and regulations promulgated thereunder, including judicial and administrative interpretations thereof, and the securities laws of the states of the U.S.

"**VIF**" has the meaning ascribed to such term under the heading *"Voting Options - Voting for Non-Registered Everton Shareholders"*.

Schedule "A"

Financial Statements and Management Discussion and Analysis of Everton Resources

EVERTON RESOURCES INC.

Consolidated Financial Statements

For the years ended October 31, 2019 and 2018

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Everton Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Everton Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2019 and 2018, and the consolidated statements of operations and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Company as at October 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not earned revenue, has a working capital deficiency as at October 31, 2019 and is dependent upon the future receipt of equity financing to maintain its operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
February 4, 2020

Everton Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	**October 31, 2019**	October 31, 2018
	$	$
ASSETS		
Current assets		
Cash	**4,775**	11,414
Marketable securities (Note 3)	**-**	7,500
Sales taxes receivable	**9,108**	7,595
Prepaid expenses	**-**	1,400
	13,883	27,909
Long-term investment (Note 4)	**964,250**	**-**
Mineral exploration properties (Note 5)	**1**	260,451
Exploration and evaluation assets (Note 5)	**-**	3,470,192
Total assets	**978,134**	3,758,552
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	**280,767**	235,532
Loan payable (Note 10)	**192,700**	98,000
Total liabilities	**473,467**	333,532
EQUITY		
Share capital (Note 7)	**42,152,701**	42,152,701
Warrants (Note 8)	**358,669**	423,970
Contributed surplus (Note 9)	**10,497,485**	10,432,184
Deficit	**(52,504,188)**	(49,583,835)
Total equity	**504,667**	3,425,020
Total liabilities and equity	**978,134**	3,758,552

On behalf of the Board

(signed) "Andre Audet"
Andre Audet, Director

(signed) "Steven Mintz"
Steven Mintz, Director

The accompanying notes are an integral part of these consolidated financial statements.

Everton Resources Inc.

Consolidated Statements of Operations and Comprehensive Income

(Expressed in Canadian dollars)

For the year ended October 31	**2019**	2018
	$	$
Operating expenses		
Management and consulting fees	**143,900**	174,000
Salaries and benefits	**3,950**	2,688
Travel and promotion (recovery)	**420**	(19,120)
Professional fees	**67,188**	43,014
General and administrative	**69,812**	91,576
Loss before other items	**(285,270)**	(292,158)
Other income		
Interest and other income	**44**	144
Unrealized gain (loss) on financial assets at fair value through profit and loss (Notes 3 & 4)	**228,750**	(5,000)
Realized loss on expiration of financial assets at fair value through profit and loss (Note 3)	**-**	(4,325)
Writedown of mineral exploration properties and exploration and evaluation assets (Note 5)	**(3,245,518)**	(260,582)
Gain on sale of mineral exploration properties (Note 5)	**279,876**	-
Gain on sale of investments (Notes 3 & 4)	**26,765**	-
Forgiveness of debt to Management (Note 10)	**75,000**	-
Other income related to flow-through shares	**-**	15,904
Write off of accounts payable and accrued liabilities	**-**	150,000
Gain on termination of option agreement (Note 5)	**-**	50,000
Net loss and total comprehensive loss	**(2,920,353)**	(346,017)
Basic and diluted loss per common share	**(0.031)**	(0.004)
Basic and diluted weighted average number of common shares outstanding	**93,134,470**	93,134,470

The accompanying notes are an integral part of these consolidated financial statements.

Everton Resources Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital		Subscriptions Receivable	Warrants	Contributed Surplus	Deficit	Total
	# of shares	$	$	$	$	$	$
Balance, October 31, 2017	**93,134,470**	**42,152,701**	**(10,000)**	**450,320**	**10,405,834**	**(49,237,818)**	**3,761,037**
Share subscriptions received	-	-	10,000	-	-	-	10,000
Expiry of warrants	-	-	-	(26,350)	26,350	-	-
Net loss and total comprehensive loss	-	-	-	-	-	(346,017)	(346,017)
Balance, October 31, 2018	**93,134,470**	**42,152,701**	**-**	**423,970**	**10,432,184**	**(49,583,835)**	**3,425,020**
Expiry of warrants	-	-	-	(65,301)	65,301	-	-
Net loss and total comprehensive loss	-	-	-	-	-	(2,920,353)	(2,920,353)
Balance, October 31, 2019	**93,134,470**	**42,152,701**	**-**	**358,669**	**10,497,485**	**(52,504,188)**	**504,667**

The accompanying notes are an integral part of these consolidated financial statements.

Everton Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the year ended October 31	**2019**	2018
	$	$
OPERATING ACTIVITIES		
Net loss	**(2,920,353)**	(346,017)
Adjustments for:		
Other income related to flow-through shares	**-**	(15,904)
Unrealized (gain) loss on financial assets at fair value through profit or loss	**(228,750)**	5,000
Realized loss on expiration of financial assets at fair value through profit or loss	**-**	4,325
Writedown of mineral exploration properties and exploration and evaluation assets	**3,245,518**	260,582
Write off of accounts payable and accrued liabilities	**-**	(150,000)
Gain on sale of mineral exploration properties	**(279,876)**	-
Gain on sale of investments	**(26,765)**	-
Forgiveness of debt to Management	**(75,000)**	-
Changes in non-cash working capital items	**132,483**	142,869
Net cash flows from operating activities	**(152,743)**	(99,145)
INVESTING ACTIVITIES		
Proceeds from sale of mineral exploration properties	**25,000**	-
Proceeds from sale of marketable securities	**25,365**	-
Proceeds from sale of long-term investment	**43,400**	-
Tax credits received	**-**	8,891
Mineral exploration properties and exploration and evaluation assets	**(42,361)**	(178,429)
Net cash flows from investing activities	**51,404**	(169,538)
FINANCING ACTIVITIES		
Share subscriptions received	**-**	10,000
Loan payable	**94,700**	98,000
Net cash flows from financing activities	**94,700**	108,000
Decrease in cash	**(6,639)**	(160,683)
Cash, beginning of the year	**11,414**	172,097
Cash, end of the year	**4,775**	11,414
Changes in non-cash working capital items consists of the following:		
Sales taxes receivable	**(11,263)**	334
Prepaid expenses	**1,400**	27,445
Accounts payable and accrued liabilities	**142,346**	115,090
	132,483	142,869
Exploration and evaluation costs included in accounts payable and accrued liabilities	**45,153**	57,514

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Everton Resources Inc. ("Everton" or the "Company") was incorporated under the Business Corporations Act (Alberta) on November 7, 1996 and commenced operations on December 19, 1996. In November 2002, the Company commenced its current nature of operations which involves the acquisition, exploration, and evaluation of mineral resource properties. Everton and its subsidiaries (the "Company") are in the exploration stage and do not derive any revenue from the exploration and evaluation of their properties. The address of the Company's corporate office is 38 Scott Road, Chelsea, Quebec, J9B 1R5. Everton's common shares are listed for trading on the TSX Venture Exchange ("TSX-V"') under the symbol "EVR".

Arrangement Agreement with Molecule Inc.

On November 27, 2019, the Company entered into a definitive arrangement agreement with Molecule Inc. ("Molecule") pursuant to which Everton will acquire (the "Proposed Transaction") all of the issued and outstanding securities of Molecule, by way of plan of arrangement (the "Plan of Arrangement"), which will result in the shareholders of Molecule holding the majority of outstanding shares of Everton upon closing of the Proposed Transaction (the "Resulting Issuer").

Molecule, a private Ontario corporation, is a beverage formulation, manufacturing and distribution company in the late stages of the application review process to obtain a Cannabis Processing License (the "License") under the Cannabis Act and Regulations. Molecule will provide the capacity, knowledge and licensing required to produce and co-package craft cannabis-infused beverages.

Prior to the closing of the Proposed Transaction, it is anticipated that the Company will apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its common shares from the TSX Venture Exchange (the "TSXV"). It is expected that the Company will delist from the TSXV concurrently with the listing on the CSE immediately following the completion of the Proposed Transaction (Note 13).

Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The Company is in the exploration stage and has not earned revenue from operations. As at October 31, 2019, the Company has a working capital deficiency of $459,584 and a deficit of $52,504,188. The Company has no income or cash inflow from operations. Continued operation of the Company is dependent on financial support through completion of equity financings, or the achievement of profitable operations in the future. Such material uncertainties cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. These consolidated financial statements do not include any adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and compliance with IFRS

These consolidated financial statements have been prepared on a historical cost basis and are expressed in Canadian dollars, which is also the functional currency of the parent Company and all of its subsidiaries. These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

(Expressed in Canadian dollars)

These financial statements were authorized for issue by the Board of Directors on February 4, 2020.

(b) Basis of consolidation

These consolidated financial statements consolidate those of the parent company and all of its subsidiaries as at and for the year ended October 31, 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of October 31.

All intercompany transactions and balances between the companies are eliminated on consolidation, including unrealized gains and losses on transactions. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Composition of the Company:

The subsidiaries of the Company and their principal activities as at October 31, 2019 and 2018 were as follows:

		Ownership interest as at October 31,		
Name of subsidiary	Place of incorporation	2019	2018	Principal activity
Everton Minera Dominicana S.A.	Dominican Republic	100%	100%	Exploration Company (Inactive)
Pan Caribbean Metals Inc.	British Virgin Islands	100%	100%	Holding Company
Dominican Metals Inc.	British Virgin Islands	100%	100%	Holding Company
Everton Dominicana (2014) Inc.	Canada	100%	100%	Exploration Company (Inactive)
Linear Gold Caribe S.A.	Dominican Republic	100%	100%	Exploration Company (Inactive)
Hays Lake Gold Inc.	Canada	100%	100%	Exploration Company (Inactive)

(c) Financial instruments

The following accounting policies for financial instruments have been applied as at November 1, 2018 on adoption of IFRS 9 and for the year ended October 31, 2019. For the year ended October 31, 2018, the Company applied financial instruments policies aligned with IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). The adoption of IFRS 9 did not result in any changes to the classification and measurement of the Company's financial assets and liabilities.

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Cash

Cash is subsequently measured at amortized cost.

Marketable securities and long-term investments

Marketable securities and long-term investments are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. Marketable securities and long-term investments are measured at FVTPL.

Accounts payables and accrued liabilities

Accounts payables and accrued liabilities are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Accounts payables and accrued liabilities are subsequently measured at amortized cost.

Loan payable

Loan payable is subsequently measured at amortized cost.

Impairment

The Company recognizes an allowance using the Expected Credit Loss ("ECL") model on financial assets classified as subsequently measured at amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as subsequently measured at amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of operations and comprehensive income.

(d) Mineral exploration properties and exploration and evaluation assets

Mineral exploration properties include the cost of acquiring mining rights. Exploration and evaluation assets include expenses directly related to the exploration and evaluation activities. These costs are capitalized as intangible assets and are carried at cost less any impairment loss recognized.

Costs incurred before the legal right to undertake exploration and evaluation activities on a project was acquired, are expensed in the consolidated statements of operations and comprehensive income.

Mining rights and expenses related to exploration and evaluation activities are capitalized on a property by property basis pending determination of the technical feasibility and commercial viability of the project. No amortization is recognized during the exploration and evaluation phase. Costs capitalized include drilling, project consulting, geophysical, geological and geochemical studies, as well as other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

Whenever a project is considered no longer viable or is abandoned, the capitalized amounts are written down to fair value less cost of disposal.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, mining rights and expenses related to exploration and evaluation activities of the related mining property are transferred to mining assets under construction. Before the reclassification, mineral exploration properties and exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Upon transfer of exploration and evaluation assets into mining assets under construction, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized with mining

assets under construction. After the development stage, all assets included in mining assets under construction are transferred to mining assets and amortized over the expected productive lives of the assets.

Farm-outs in the exploration and evaluation phase

The Company does not record any expenditures made by the farmee on its account. It does not recognize any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash considerations received directly from the farmee is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

(e) Impairment of non-financial assets

Impairment assessment and testing is done at the level of a cash generating unit ("CGU"). The Company considers each mineral property to be a separate CGU, and therefore assesses for indicators of impairment individually for each mineral property.

The Company assesses non-financial assets including mineral property assets and exploration equipment for impairment when facts and circumstances suggest that the carrying amount of the asset may not exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized immediately in net income (loss).

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Any reversal of impairment is recognized immediately in net income (loss).

(f) Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed — for example, under an insurance contract — the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the statement of loss.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Rehabilitation and environmental provision

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized in the carrying amount of the asset at the start of each project as soon as the obligation to incur such costs arises.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The Company had no material provisions as at October 31, 2019, and October 31, 2018.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

Any contingent liabilities or assets will be recorded by management in the period in which management has been able to reasonably quantify the asset or liability and the amount of cash inflow or outflow resulting from the contingent asset or liabilities can be reasonably assured.

(g) Equity-settled share-based payment transactions

The Company operates an equity-settled share-based remuneration plan (stock option plan) for directors, officers, employees and certain consultants. The Company's plan does not feature any options for a cash settlement. Occasionally, the Company may issue warrants to brokers. The Company also issues shares for goods or services.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values. Where employees, or consultants providing similar services, are rewarded using share-based payments, the fair values of the services rendered are determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and if applicable, recognized over the vesting period. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting. Share-based payment expense incorporates an expected forfeiture rate.

Share-based payment arrangements in which the Company receives properties, goods or services as consideration for its own equity instruments are measured at the fair value of the properties, goods or services

received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted.

All share-based payments under the plan are ultimately recognized as an expense in net loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Upon exercise of a stock option, the original value of the options plus any proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in contributed surplus are then transferred to share capital. Warrants issued to brokers are recognized as an issuance cost of equity instruments with a corresponding credit to warrants, in equity.

(h) Equity

Share capital represents the amount received on the issue of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital.

Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the proportional method.

Flow-through placements

Issuance of flow-through units represents in substance an issue of common shares, warrants and the sale of the right to tax deductions to the investors. When the flow-through shares are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the consolidated statement of financial position. The proceeds received from flow-through units are allocated between share capital, warrants, and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and then to warrants according to the estimated fair value of the warrants at the time of issuance and any residual in the proceeds is allocated to other liability. The fair value of the warrants is estimated using the Black-Scholes valuation model. When eligible expenses are incurred and the Company has the intention to renounce its right to tax deductions to the investors, the amount recognized in other liabilities is reversed and is recognized in profit or loss in reduction of deferred income tax expense. A deferred tax liability is also recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset and its tax basis.

Warrants include charges related to the issuance of warrants until such equity instruments are exercised or expire.

Contributed surplus includes charges related to stock-based compensation until such equity instruments are exercised. Contributed surplus also includes all expired options and warrants previously issued.

(i) Income taxes

Tax expense recognized in net loss comprises the sum of deferred and current tax.

Current income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions

taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all temporary differences except:

- Where the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, that affects neither the accounting profit nor taxable profit (loss).
- In respect of temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venture and it is probable that the temporary differences will not be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognized in other comprehensive income or equity is recognized in other comprehensive loss or equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings (loss) per share. The diluted loss per share is equal to the basic loss per share where the effect of warrants and/or stock options is antidilutive, as it would decrease the loss per share.

(k) Segmented reporting

The Company is organized into business units based on mineral properties and has one business segment, being the acquisition, exploration and evaluation of mineral properties.

(l) Adoption of new accounting pronouncements and recent developments

The Company has adopted the new IFRS pronouncement listed below as at November 1, 2018, in accordance with the transitional provisions outlined in the standard and described below. The adoption of this new IFRS pronouncement has not resulted in any adjustments to previously reported figures.

(i) Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39.

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss, however there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the statement of operations and comprehensive income, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The new hedge accounting model in IFRS 9 aligns hedge accounting with risk management activities undertaken by an entity. Components of both financial and non-financial items are now eligible for hedge accounting, as long as the risk component can be identified and measured. The hedge accounting model includes eligibility criteria that must be met, but these criteria are based on an economic assessment of the strength of the hedging relationship.

New IFRS pronouncements that have been issued but are not yet effective at the date of these consolidated financial statements are listed below. The Company plans to apply the new standards or interpretations in the annual period for which they are first required.

(ii) Leases

The IASB issued IFRS 16, Leases ("IFRS 16"), which eliminates the classification of leases as either operating or finance leases for a lessee. IFRS 16 is effective from January 1, 2019. Under IFRS 16, all leases will be recorded on the statement of financial position. The only exemptions to this will be for leases that are 12 months or less in duration or for leases of low-value assets. The requirement to record all leases on the statement of financial position under IFRS 16 will increase "right-of-use" assets and lease liabilities on an entity's financial statements. IFRS 16 will also change the nature of expenses relating to leases, as the straight-line lease expense previously recognized for operating leases will be replaced with depreciation expense for right-of-use assets and finance expense for lease liabilities. IFRS 16 includes an overall disclosure objective and requires a company to disclose (a) information about right-of-use assets and expenses and cash flows related to leases, (b) a maturity analysis of lease liabilities and (c) any additional company-specific information that is relevant to satisfying the disclosure objective.

(Expressed in Canadian dollars)

3. MARKETABLE SECURITIES

Marketable securities are classified as fair value through profit or loss and are comprised of:

	October 31, 2019	October 31, 2018
	$	$
Albert Mining Inc. - 250,000 common shares (1)	**-**	7,500

(1) During the year ended October 31, 2019, the Company sold its 250,000 shares in Albert Mining Inc. for proceeds of $25,365 and recognized a gain on sale of marketable securities of $16,615 (2018 - $Nil).
(2) During the year ended October 31, 2018, 250,000 warrants in Albert Mining Inc. expired unexercised. The Company recognized a loss on their expiration of $4,325.

4. LONG-TERM INVESTMENT

Investment in Precipitate Gold Corp.

On January 15, 2019, further to the sale of the Company's three remaining concessions in the Dominican Republic, known as the Cabirma de Cerro, Mermejal and Arroyo properties, Everton received 7,000,000 common shares in Precipitate Gold Corp. ("Precipitate") with a fair value of $770,000 (Note 5), based on the quoted market price of Precipate shares on the TSX Venture Exchange at the time. The investment is classified and measured at fair value, with changes in fair value recognized in profit or loss. The Company does not exercise significant influence over Precipitate.

	October 31, 2019	October 31, 2018
	$	$
Precipitate Gold Corp. - 6,650,000 common shares (1)	**964,250**	-

(1) During the year ended October 31, 2019, the Company sold 350,000 shares in Precipitate Gold Corp. for proceeds of $43,400, resulting in a realized gain of $10,150.

As at October 31, 2019, with the exception of 350,000 common shares, the Company's common shares in Precipitate were subject to resale legend restrictions for up to 3 years, expiring as follows:

-700,000 common shares (10%) with resale legend expiring January 15, 2020
-700,000 common shares (10%) with resale legend expiring July 15, 2020
-1,050,000 common shares (15%) with resale legend expiring January 15, 2021
-1,050,000 common shares (15%) with resale legend expiring July 15, 2021
-2,800,000 common shares (40%) with resale legend expiring January 15, 2022

Subsequent to year end, in January 2020, the Company sold 4,500,000 shares in Precipitate Gold Corp. ("Precipitate") for gross proceeds of $225,000, to purchasers arranged by Precipitate. As additional consideration for the sale of these shares, Precipitate agreed to remove any remaining resale restrictions that were still applicable to Precipitate shares held by Everton.

(Expressed in Canadian dollars)

5. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS

	October 31, 2019		October 31, 2018	
	Mineral exploration properties	**Exploration and evaluation assets**	Mineral exploration properties	Exploration and evaluation assets
	$	**$**	$	$
Dominican Republic				
a) Cabirma del Cerro	**-**	**-**	1	-
b) Arroyo Carpintero	**-**	**-**	-	515,123
	-	**-**	1	515,123
Canada (Quebec)				
d) Opinaca	**1**	**-**	260,450	2,835,187
e) Detour Lake	**-**	**-**	-	-
f) Chapais	**-**	**-**	-	119,882
	1	**-**	260,450	2,955,069
TOTAL	**1**	**-**	260,451	3,470,192

Dominican Republic

a) Cabirma del Cerro (formerly Ampliación Pueblo Viejo, La Lechoza), Dominican Republic

In January 2019, the Company completed the sale of its three remaining mineral concessions in the Dominican Republic, known as the Cabirma de Cerro, Mermejal and Arroyo Carpintero properties, in accordance with a Mineral Property Purchase and Sale Agreement (the "Sale Agreement") with Precipitate Gold Corp. ("Precipitate"). Upon closing, Everton received $25,000 and 7,000,000 common shares of Precipate, with a fair value of $770,000, based on the quoted market price of Precipate shares on the TSX Venture Exchange at the time, for total consideration of $795,000. The Company recognized a gain of $279,876 on the sale of these mineral exploration properties.

b) Arroyo Carpintero (formerly Ponton), Dominican Republic

See Note 5a).

c) Other, Dominican Republic

During the year ended October 31, 2018, the Company's joint venture partner in certain other Dominican Republic concessions terminated their joint venture agreement. Per the terms of the joint venture agreement, the Company was paid $50,000 by the joint venture partner as a result of this termination. Any capitalized costs associated with these concessions were written off in prior years. As a result, a $50,000 gain was recognized during the 2018 fiscal year.

Canada (Quebec)

d) Opinaca

On December 9, 2004, the Company signed an option agreement with Azimut Exploration Inc. ("Azimut") to earn a 50% undivided interest in the Opinaca property by incurring a minimum of $2,800,000 in exploration work and making cash payments totaling $180,000 over 5 years. The Company made the cash payments and incurred the required exploration expenditures to earn its initial 50% interest in the property.

On November 15, 2011 (amended on November 1, 2013), the Company and Azimut executed an option agreement with Hecla Mining Company, formerly Aurizon Mines Ltd., ("Hecla") whereby Hecla could acquire a 50% ownership interest in the Opinaca property (leaving each of the Company and Azimut with 25%), by making total cash payments of $580,000, $290,000 of which was payable to Everton, and incurring exploration expenditures of $6,000,000, including a minimum of 3,800 metres of drilling prior to November 15, 2013 and 1,200 metres of drilling prior to November 15, 2014. Hecla made the cash payments and incurred the required exploration expenditures to earn its interest in the property

As at October 31, 2019, the Company holds a 25% interest in the property, with the remaining interest held by Azimut Exploration Inc. (25%) and Hecla Mining Company (50%). Hecla is currently the operator.

During the year ended October 31, 2019, the Company wrote down the carrying value of the property to $1 and recorded a write-down of mineral exploration properties and exploration and evaluation assets in the amount of $3,095,636 ($260,449 of mineral exploration property costs and $2,835,187 of exploration and evaluation costs).

e) Detour Lake

During the year ended October 31, 2018, the Company allowed the 159 claims making up this property to expire and wrote down the carrying value of the property to $Nil and recorded a write-down of mineral exploration properties and exploration and evaluation assets in the amount of $260,582 ($85,989 of mineral exploration property costs and $174,593 of exploration and evaluation costs).

f) Chapais

On December 5, 2017, the Company entered into an option agreement with Albert Mining Inc. ("Albert Mining") to earn up to a 75% interest in seven mining claims located in the Chapais mining district of Quebec. To earn the 75% interest, the Company was to pay $30,000 in cash, incur exploration expenditures totaling $370,000 over a three-year period, and issue to Albert Mining a total of 2,500,000 common shares at two separate dates during the three-year period.

During the year ended October 31, 2019, the Company terminated the option agreement with Albert Mining, wrote down the cost of the Chapais property to $Nil and recorded a write-down of mineral exploration properties and exploration and evaluation assets in the amount of $149,882. This was based on the Company's decision that poor exploration results to date did not warrant further exploration on the property.

(Expressed in Canadian dollars)

The following table reflects the changes to mineral exploration properties and exploration and evaluation assets for the period from October 31, 2017 to October 31, 2019:

	Year ended October 31, 2019	Year ended October 31, 2018
	$	$
Balance, beginning of the year	**3,730,643**	3,843,912
Additions		
Drilling	**-**	125,864
Assaying	**-**	10,885
Project consulting	**-**	650
Renewal of licenses and permits	**-**	2,240
General field expenses	**-**	16,565
	-	156,204
Mineral exploration properties	**30,000**	-
Sale of mineral exploration properties and exploration and evaluation assets	**(515,124)**	-
Write-down of mineral exploration properties and exploration and evaluation assets	**(3,245,518)**	(260,582)
Quebec resource tax credits	**-**	(8,891)
Balance, end of the year	**1**	3,730,643
Mineral exploration properties	**1**	260,451
Exploration and evaluation assets	**-**	3,470,192
	1	3,730,643

(Expressed in Canadian dollars)

6. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash, marketable securities, long-term investment, accounts payable and accrued liabilities and loan payable. Marketable securities and long-term investment are carried at fair value. The fair value of the Company's other financial instruments approximates their carrying value due to their short-term nature.

The classification of financial instruments is as follows:

	October 31, 2019	October 31, 2018
	$	$
Financial assets		
Amortized cost		
Cash	**4,775**	11,414
Fair value through profit or loss		
Marketable securities	**-**	7,500
Long-term investment	**964,250**	-
Total financial assets	**969,025**	18,914
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	**(280,767)**	(235,532)
Loan payable	**(192,700)**	(98,000)
Total financial liabilities	**(473,467)**	(333,532)

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash. The Company's cash is held at reputable financial institutions with high external credit ratings. It is Management's opinion that the Company is not exposed to significant credit risk.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. There are no financial assets that are past due but not impaired for the periods presented.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

The Company holds shares in publicly listed companies in the mineral exploration industry. The Company is exposed to other price risk regarding these shares as unfavorable market conditions could result in the disposal at less than their value at October 31, 2019. As at October 31, 2019, the value of these listed shares was $964,250. At October 31, 2019, had the price for these publicly listed shares been 10% lower, the comprehensive loss for the period would have been $96,425 larger. Conversely, had the price been 10% higher, the comprehensive loss would have been $96,425 smaller.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern in order to maintain its properties in good standing, support normal operating requirements, continue the exploration and evaluation of its mineral properties and support any expansionary plans, and to provide an adequate return to its shareholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. In order to facilitate the management of its capital requirements, management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company prepares annual budgets that are updated as necessary depending on various factors including successful capital deployment and general industry conditions.

There were no significant changes to capital management policies of the Company during the year ended October 31, 2019.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

As at October 31, 2019, the Company was in violation of the above TSXV requirement. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

(Expressed in Canadian dollars)

7. SHARE CAPITAL

Authorized

The authorized capital of the Company consists of an unlimited number of common shares without par value.

	Number of shares	
		$
Balance, October 31, 2017, October 31, 2018 and and October 31, 2019	**93,134,470**	**42,152,701**

8. WARRANTS

Outstanding warrants entitle the holders thereof to subscribe to an equivalent number of common shares.

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price
		$
Balance, October 31, 2017	**19,984,900**	**0.08**
Expired	(2,641,400)	0.14
Balance, October 31, 2018	**17,343,500**	**0.07**
Expired	(1,076,000)	0.05
Balance, October 31, 2019	**16,267,500**	**0.07**

As at October 31, 2019, the following warrants were issued and outstanding:

Number of warrants	Issue date fair value	Exercise price	Expiry date
	$	$	
4,035,000	48,000	0.07	July 14, 2020
1,200,000	13,000	0.07	July 14, 2020
4,997,500	128,565	0.07	February 6, 2021
6,035,000	169,104	0.07	February 21, 2021
16,267,500	**358,669**		

(Expressed in Canadian dollars)

As at October 31, 2018, the following warrants were issued and outstanding:

Number of warrants	Issue date fair value	Exercise price	Expiry date
	$	$	
252,000	13,255	0.07	February 6, 2019
824,000	52,046	0.05	February 21, 2019
4,035,000	48,000	0.07	July 14, 2020
1,200,000	13,000	0.07	July 14, 2020
4,997,500	128,565	0.07	February 6, 2021
6,035,000	169,104	0.07	February 21, 2021
17,343,500	**423,970**		

9. STOCK OPTIONS

Under the terms of the Company's stock option plan (the "Plan"), all options are granted with an exercise price not lower than the closing market price on the day immediately preceding the date of grant. The term of options is determined by the Board of Directors with a maximum term of 5 years. These options may be granted to the Company's employees, officers, directors, and persons providing ongoing services to the Company, and are subject to regulatory approval.

On August 21, 2017 the shareholders approved an amendment to the stock option plan. Under the "rolling" 10% Stock Option Plan, the number of common shares which may be reserved under the Plan is limited to 10% of the aggregate number of common shares of the Company issued and outstanding, as the case may be.

Options are cancelled 12 months following the termination of the optionee's employment, office, directorship, or consulting arrangement. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted. A summary of changes of the Company's options is presented below:

	Number of options	Weighted average exercise price
		$
Balance, October 31, 2017	**5,465,000**	**0.14**
Expired	(495,000)	0.26
Balance, October 31, 2018	**4,970,000**	**0.13**
Expired	(1,670,000)	0.17
Balance, October 31, 2019	**3,300,000**	**0.11**

(Expressed in Canadian dollars)

As at October 31, 2019, the following stock options were outstanding and exercisable:

	Outstanding			Exercisable	
Exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
		(in years)			
$0.05	800,000	1.45	$0.05	800,000	$0.05
$0.13	2,300,000	1.79	$0.13	2,300,000	$0.13
$0.07	200,000	2.32	$0.07	200,000	$0.07
	3,300,000	**1.74**	**0.11**	**3,300,000**	**0.11**

As at October 31, 2018, the following stock options were outstanding and exercisable:

	Outstanding			Exercisable	
Exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
		(in years)			
$0.20	1,085,000	0.36	$0.20	1,085,000	$0.20
$0.05	925,000	2.45	$0.05	925,000	$0.05
$0.13	2,760,000	2.79	$0.13	2,760,000	$0.13
$0.07	200,000	3.32	$0.07	200,000	$0.07
	4,970,000	**2.22**	**0.13**	**4,970,000**	**0.13**

10. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Related parties include the Board of Directors and key management personnel, as well as close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

Remuneration of directors and key management personnel of the Company was as follows:

For the year ended October 31	**2019**	2018
	$	$
Management and consulting fees	**133,000**	175,283
Benefits	**2,016**	2,688
	135,016	177,971

(Expressed in Canadian dollars)

As at October 31, 2019, unpaid management and consulting fees in the amount of $135,400 are owed to Management and have been included in accounts payable and accrued liabilities ($141,250 as at October 31, 2018).

During the year ended October 31, 2019, unpaid consulting fees in the amount of $75,000 were forgiven by the Company's CEO. The amount has been recorded as forgiveness of debt to Management in the consolidated statement of operations and comprehensive income.

Loan Payable

As at October 31, 2019, the Company has a loan payable to the CEO of the Company in the amount of $192,700 ($98,000 as at October 31, 2018). The loan is non-interest bearing and has no specific terms of repayment.

11. ENTITY-WIDE REPORTING

The Company has reviewed its activities and determined that it operates in a single reportable operating segment.

The Company's non-current assets are all in Canada.

12. INCOME TAXES

Provision for income taxes

A reconciliation of the combined federal and provincial statutory rate of 27% (2018 – 27%) with the Company's effective income tax rate is as follows:

For the year ended October 31	**2019**	2018
	$	$
Net loss before income taxes	**(2,920,353)**	(346,017)
Expected income tax recovery based on statutory rate	**(788,000)**	(92,847)
Adjustment to expected income tax benefit:		
Non-deductible expenses	**726,000**	72,425
Changes in temporary differences not recorded	**62,000**	24,690
Other	**-**	(4,268)
Income tax provision (recovery)	**-**	-

Deferred income tax

As at October 31, 2019 and 2018, the Company had the following temporary differences. No deferred tax assets were record for these temporary differences.

(Expressed in Canadian dollars)

As at October 31	**2019**	2018
	$	$
Non-capital loss carry-forwards	**18,438,000**	20,824,000
Mineral exploration properties and exploration and evaluation assets	**16,750,723**	13,772,081
Other	**(130,426)**	142,478
	35,058,297	34,738,559

Tax loss carry-forwards

As at October 31, 2019, the Company has the following non-capital losses for which no deferred tax asset was set up. The carry-forward balances expire as follows:

Year of Expiry	Canada	Dominican Republic
	$	$
2020	-	5,851,000
2026	1,022,000	-
2027	1,504,000	-
2028	1,308,000	-
2029	1,476,000	-
2030	1,678,000	-
2031	1,049,000	-
2032	1,162,000	-
2033	830,000	-
2034	686,000	-
2035	517,000	-
2036	441,000	-
2037	560,000	-
2038	124,000	-
2039	230,000	-
	12,587,000	**5,851,000**

13. SUBSEQUENT EVENTS

Arrangement Agreement with Molecule Inc.

Subsequent to year-end, on December 3, 2019, Everton announced that it has entered into a Definitive Arrangement Agreement with Molecule Inc. ("Molecule"), dated November 27, 2019, pursuant to which Everton will acquire (the "Proposed Transaction") all of the issued and outstanding securities of Molecule (Note 1).

The Proposed Transaction may be considered a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions and Policy 5.9 of the TSXV, since the CEO and director of Everton is also the CEO, director and shareholder of Molecule, and the CFO of Everton, is also the CFO of Molecule. As a result, Everton will need to obtain the approval of the majority of the minority of shareholders in respect of the Proposed Transaction. The Proposed Transaction is exempt from the formal valuation requirements set out in the foregoing regulatory instruments due to the fact that the shares of Everton are listed on the TSXV.

The board of directors of Everton constituted an independent committee of three independent board members (the "Independent Committee") to analyze the Proposed Transaction. The Independent Committee concluded that the Proposed Transaction is in the best interest of Everton and will provide a recommendation to shareholders in the Company's circular, to be mailed out to Everton shareholders in connection with the approval of the Proposed Transaction.

As a condition of the Proposed Transaction, Everton will effect a consolidation (the "Consolidation") of its issued and outstanding common shares on the basis of one new common share (each a "Everton Share") for every ten (10) common shares of Everton issued and outstanding on the effective date of the Consolidation. In addition, prior to the closing, it is expected that Everton will change its corporate name to "Molecule Holdings Inc" or such other name as may be determined by the board of directors (the "Name Change").

As a condition to the closing of the Proposed Transaction, Molecule intends to complete a private placement offering ("Private Placement") of units (the "Molecule Units"), for a minimum of $2 million, each Molecule Unit consisting of one common share of Molecule and a minimum of one-half of one share purchase warrant, with final terms to be determined by the parties in the context of the market.

Concurrently with, and as a condition of, the closing of the Proposed Transaction, creditors of Everton will convert $323,100 of indebtedness into an aggregate of 1,077,000 Everton Shares at a deemed issue price of $0.30 per share. All the foregoing indebtedness is due to the CEO of Everton, for advances and loans that he has made to Everton in order to satisfy Everton's minimum working capital needs in the absence of any reasonable third-party alternatives.

EVERTON RESOURCES INC.

Management's Discussion and Analysis

For the years ended October 31, 2019 and 2018

This Management's Discussion and Analysis ("MD&A") for Everton Resources Inc. (the "Company" or "Everton") should be read in conjunction with the consolidated financial statements for the years ended October 31, 2019 and 2018 and the notes thereto.

The financial information in this MD&A is derived from the Company's consolidated financial statements for the years ended October 31, 2019 and 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The effective date of this MD&A is February 4, 2020.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains or may refer to certain statements that may be deemed "forward-looking statements". Forward-looking statements include estimates and statements that describe the Company's future development plans, objectives or goals, including words to the effect that the Company expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for mineral commodities; exploration successes; new opportunities; continued availability of capital and financing; general economic, market or business conditions; and litigation, legislative, environmental or other judicial, regulatory, political and competitive developments. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Everton does not undertake to update any forward-looking statement that may be made from time to time by Management or on its behalf, except in accordance with applicable public disclosure rules and regulations. Readers are cautioned not to place undue reliance on forward looking statements.

BUSINESS OVERVIEW

Everton Resources Inc. ("Everton" or the "Company") was incorporated under the Business Corporations Act (Alberta) on November 7, 1996 and commenced operations on December 19, 1996. In November 2002, the Company commenced its current nature of operations which involves the acquisition, exploration, and evaluation of mineral resource properties. Everton and its subsidiaries (the "Company") are in the exploration stage and do not derive any revenue from the exploration and evaluation of their properties. The address of the Company's corporate office is 38 Scott Road, Chelsea, Quebec, J9B 1R5. Everton's common shares are listed for trading on the TSX Venture Exchange ("TSX-V"') under the symbol "EVR".

Arrangement Agreement with Molecule Inc.

On November 27, 2019, the Company entered into a definitive arrangement agreement with Molecule Inc. ("Molecule") pursuant to which Everton will acquire (the "Proposed Transaction") all of the issued and outstanding securities of Molecule, by way of plan of arrangement (the "Plan of Arrangement"), which will result in the shareholders of Molecule holding the majority of outstanding shares of Everton upon closing of the Proposed Transaction (the "Resulting Issuer").

Molecule, a private Ontario corporation, is a beverage formulation, manufacturing and distribution company in the late stages of the application review process to obtain a Cannabis Processing License (the "License") under the Cannabis Act and Regulations. Molecule will provide the capacity, knowledge and licensing required to produce and co-package craft cannabis-infused beverages.

Prior to the closing of the Proposed Transaction, it is anticipated that the Company will apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its common shares from the TSX Venture Exchange (the "TSXV"). It is expected that the Company will delist from the TSXV concurrently with the listing on the CSE immediately following the completion of the Proposed Transaction.

The Proposed Transaction may be considered a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions and Policy 5.9 of the TSXV, since the CEO and director of Everton is also the CEO, director and shareholder of Molecule, and the CFO of Everton, is also the CFO of Molecule. As a result, Everton will need to obtain the approval of the majority of the minority of shareholders in respect of the Proposed Transaction. The Proposed Transaction is exempt from the formal valuation requirements set out in the foregoing regulatory instruments due to the fact that the shares of Everton are listed on the TSXV.

The board of directors of Everton constituted an independent committee of three independent board members (the "Independent Committee") to analyze the Proposed Transaction. The Independent Committee concluded that the Proposed Transaction is in the best interest of Everton and will provide a recommendation to shareholders in the Company's circular, to be mailed out to Everton shareholders in connection with the approval of the Proposed Transaction.

As a condition of the Proposed Transaction, Everton will effect a consolidation (the "Consolidation") of its issued and outstanding common shares on the basis of one new common share (each a "Everton Share") for every ten (10) common shares of Everton issued and outstanding on the effective date of the Consolidation. In addition, prior to the closing, it is expected that Everton will change its corporate name to "Molecule Holdings Inc" or such other name as may be determined by the board of directors (the "Name Change").

Molecule is incorporated under the Business Corporations Act (Ontario) and currently has 72,800,100 common shares issued and outstanding. Pursuant to the Proposed Transaction, one Everton share will be issued for each common share of Molecule (the "Molecule Share(s)") issued and outstanding immediately prior to the completion of the Proposed Transaction, at a deemed value of $0.30 per Everton Share.

As a condition to the closing of the Proposed Transaction, Molecule intends to complete a private placement offering ("Private Placement") of units (the "Molecule Units"), for a minimum of $2 million, each Molecule Unit consisting of one common share of Molecule and a minimum of one-half of one share purchase warrant, with final terms to be determined by the parties in the context of the market.

Concurrently with, and as a condition of, the closing of the Proposed Transaction, creditors of Everton will convert $323,100 of indebtedness into an aggregate of 1,077,000 Everton Shares at a deemed issue price of $0.30 per share. All the foregoing indebtedness is due to the CEO of Everton, for advances and loans that he has made to Everton in order to satisfy Everton's minimum working capital needs in the absence of any reasonable third-party alternatives.

Post-consolidation and following the completion of the Proposed Transaction, the Resulting Issuer is anticipated to have a total of 83,190,547 common shares issued and outstanding, subject to increase in accordance with the terms of the Arrangement Agreement, including in particular, with respect to the Private Placement. The Resulting Issuer is also anticipated to have 4,457,750 options or warrants (post-Consolidation), exercisable into common shares of the Resulting Issuer, issued and outstanding upon completion of the Proposed Transaction.

The Independent Committee has also negotiated, and Molecule has agreed, that in connection with, and immediately prior to, the closing of the Proposed Transaction, Everton intends to create and issue preferred shares ("Preferred Shares"), on the basis of one Preferred Share for every issued and outstanding Everton Share on the record date to be established by the Board of Directors of Everton, to shareholders of Everton. The record date for the issuance of the Preferred Shares is expected to be the same as the record date for the special meeting to be called in connection with the Proposed Transaction. The purpose of the Preferred Shares is to provide the current Everton shareholders with a right to receive, on a pro rata basis, an economic benefit, subject to an aggregate maximum of up to $500,000, in the event that any of the Everton mining royalties are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Preferred Shares. The Preferred Shares would provide that, if triggered, the Preferred Shares

would be redeemable, on a pro rata basis, for cash up to an aggregate maximum of $500,000. The Preferred Shares would otherwise not have any rights or recourses.

Completion of the Proposed Transaction will be subject to the satisfaction of various conditions, including (i) the completion of the Private Placement in the minimum amount of $2 million, (ii) the filing of articles of amendment to give effect to the Name Change, the Consolidation and the creation of the Preferred Shares, (iii) the receipt of the approval of the majority of the minority of Everton's shareholders, as well as the approval of a special majority of Molecule's shareholders of the Proposed Transaction, (iv) the satisfaction or waiver of all applicable conditions precedent, and (v) the receipt of conditional approval from the CSE for the proposed listing of the shares of the Resulting Issuer on the CSE.

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The Company is in the exploration stage and has not earned revenue from operations. As at October 31, 2019, the Company has a working capital deficiency of $459,584 and a deficit of $52,504,188. The Company has no income or cash inflow from operations. Continued operation of the Company is dependent on financial support through completion of equity financings, or the achievement of profitable operations in the future. Such material uncertainties cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. These consolidated financial statements do not include any adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

EXPLORATION OUTLOOK

As of February 4, 2020, the date of this MD&A, the only mineral property which Everton continues to hold an interest in is its Opinaca property, in Quebec, Canada.

DOMINICAN REPUBLIC PROPERTIES

In January 2019, the Company completed the sale of its three remaining mineral concessions in the Dominican Republic, known as the Cabirma de Cerro, Mermejal and Arroyo Carpintero properties, in accordance with a Mineral Property Purchase and Sale Agreement (the "Sale Agreement") with Precipitate Gold Corp. ("Precipitate"). Upon closing, Everton received $25,000 and 7,000,000 common shares of Precipitate, with a fair value of $770,000, based on the quoted market price of Precipitate shares on the TSX Venture Exchange at the time, for total consideration of $795,000. The Company recognized a gain of $279,876 on the sale of these mineral exploration properties.

CANADIAN PROPERTIES

Opinaca

The Opinaca A property is adjacent to the northern boundary of Goldcorp's Eleonore property hosting the Roberto gold deposit containing a significant proven and probable gold reserves estimate. The Opinaca B property is located about 8 km southeast of the Eleonore property.

On December 9, 2004, the Company signed an option agreement with Azimut Exploration Inc. ("Azimut") to earn a 50% undivided interest in the Opinaca property by incurring a minimum of $2,800,000 in exploration

work and making cash payments totaling $180,000 over 5 years. The Company made the cash payments and incurred the required exploration expenditures to earn its initial 50% interest in the property.

On November 15, 2011 (amended on November 1, 2013), the Company and Azimut Exploration Inc. ("Azimut") executed an option agreement with Hecla Mining Company, formerly Aurizon Mines Ltd., ("Hecla") whereby Hecla could acquire a 50% ownership interest in the Opinaca property (leaving each of the Company and Azimut with 25%), by making total cash payments of $580,000, $290,000 of which was payable to Everton, and incurring exploration expenditures of $6,000,000, including a minimum of 3,800 metres of drilling prior to November 15, 2013 and 1,200 metres of drilling prior to November 15, 2014.

On November 7, 2013, the Company announced that Hecla had informed them of its intent to renew its option on the Opinaca A & B gold properties, for a third year.

In December 2014, Hecla advised the company that it would drop its option on the Opinaca A property while retaining its option on the Opinaca B property.

As at October 31, 2019, the Company holds a 25% interest in the Opinaca B property, with the remaining interest held by Azimut (25%) and Hecla (50%). Hecla is currently the operator.

As at October 31, 2019, the Company holds a 50% interest in the Opinaca A property, with the remaining 50% interest held by Azimut.

During the year ended October 31, 2019, the Company wrote down the carrying value of the property to $1 and recorded a write-down of mineral exploration properties and exploration and evaluation assets in the amount of $3,095,636 ($260,449 of mineral exploration property costs and $2,835,187 of exploration and evaluation costs).

Detour Lake

On April 27, 2016, the Company staked 136 claims covering 7,437 ha (74.37 sq. km) in James Bay Quebec. On October 12, 2016, the Company staked an additional 23 claims related to this property, bringing the total number of claims to 159.

Everton purchased a list of targets on the areas of interest by issuing 1,700,000 common shares and by paying $25,000 on signing and $25,000 in 90 days following the signing to Diagnos, as well as, a 2% royalty on the net return of the smelting revenues associated with the minerals and concentrates to be extracted from the concessions identified by DIAGNOS. The purchase agreement stipulated that Everton could, at any time, reduce the royalty from 2% to 1% by paying $1,000,000.

The Detour Gold Quebec project area is a highly prospective area for gold deposits associated with the Sunday Lake and Lower Detour deformation zones. It is mostly known for hosting the Detour Lake Mine which has a gold reserve measured over 15.5 M ounces (reference: Detour Lake 2014, NI43-101 Technical Report) and the Casa Berardi Mine.

The claims were acquired using Diagnos' proprietary Computer Aided Resource Detection System (CARDS) to target the gold potential in the Detour Lake area of Quebec. The CARDS system uses powerful pattern recognition algorithms to analyze digitally compiled exploration data, and identifies precise areas (gold targets) with, geological, topography and geophysical signatures similar to areas of known mineralization. The database modelling included: 1) levelled and merged High-Resolution Aeromagnetic Data Compilation of the Abitibi and the Ontario side of the Detour Lake area; 2) topography; and 3) over 18,814 compiled assays (7,353 with Au = 1 g/t Au) from Quebec government-registered drill hole assays and surface samples. Based on analysis and on known lithology and structural geology in the region, over 6 high priority gold targets have been identified and staked. One of these priority gold targets is located 16 km north of the Casa Berardi Mine and overlaps the road.

During the year ended October 31, 2018, the Company allowed the 159 claims making up this property to expire and wrote down the carrying value of the property to $Nil and recorded a write-down of mineral exploration properties and exploration and evaluation assets in the amount of $260,582 ($85,989 of mineral exploration property costs and $174,593 of exploration and evaluation costs).

Chapais

On December 5, 2017, the Company entered into an option agreement with Albert Mining Inc. ("Albert Mining") to earn up to a 75% interest in seven mining claims located in the Chapais mining district of Quebec. To earn the 75% interest, the Company was to pay $30,000 in cash, incur exploration expenditures totaling $370,000 over a three-year period, and issue to Albert Mining a total of 2,500,000 common shares at two separate dates during the three-year period.

During the year ended October 31, 2019, the Company terminated the option agreement, wrote down the cost of the Chapais property to $Nil and recorded a write-down of mineral exploration properties and exploration and evaluation assets in the amount of $149,882. This was based on the Company's decision that poor exploration results to date did not warrant further exploration on the property.

As at October 31, 2019 and October 31, 2018, the carrying values of the Company's mineral exploration properties and exploration and evaluation assets were as follows:

	October 31, 2019		October 31, 2018	
	Mineral exploration properties	**Exploration and evaluation assets**	Mineral exploration properties	Exploration and evaluation assets
	$	**$**	$	$
Dominican Republic				
a) Cabirma del Cerro	**-**	**-**	1	-
b) Arroyo Carpintero	**-**	**-**	-	515,123
	-	**-**	1	515,123
Canada (Quebec)				
d) Opinaca	**1**	**-**	260,450	2,835,187
e) Detour Lake	**-**	**-**	-	-
f) Chapais	**-**	**-**	-	119,882
	1	**-**	260,450	2,955,069
TOTAL	**1**	**-**	260,451	3,470,192

The following table reflects the changes to mineral exploration properties and exploration and evaluation assets for the period from October 31, 2017 to October 31, 2019:

	Year ended October 31, 2019	Year ended October 31, 2018
	$	$
Balance, beginning of the year	**3,730,643**	3,843,912
Additions		
Drilling	**-**	125,864
Assaying	**-**	10,885
Project consulting	**-**	650
Renewal of licenses and permits	**-**	2,240
General field expenses	**-**	16,565
	-	156,204
Mineral exploration properties	**30,000**	-
Sale of mineral exploration properties and exploration and evaluation assets	**(515,124)**	-
Write-down of mineral exploration properties and exploration and evaluation assets	**(3,245,518)**	(260,582)
Quebec resource tax credits	**-**	(8,891)
Balance, end of the year	**1**	3,730,643
Mineral exploration properties	**1**	260,451
Exploration and evaluation assets	**-**	3,470,192
	1	3,730,643

SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from the Company's consolidated financial statements for the years ended October 31, 2019 and 2018, which were prepared in accordance with IFRS:

For the year ended October 31	**2019**	2018
	$	$
Net loss	**(2,920,353)**	(346,017)
Comprehensive loss	**(2,920,353)**	(346,017)
Basic and diluted loss per common share	**(0.031)**	(0.004)

	October 31,	October 31,
As at	**2019**	2018
	$	$
Long-term investment	**964,250**	-
Mineral exploration properties	**1**	260,451
Exploration and evaluation assets	**-**	3,470,192
Total assets	**978,134**	3,758,552
Total liabilities	**473,467**	333,532

PAYMENT OF DIVIDENDS

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration and development programs, future growth, and any other factors the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

RESULTS OF OPERATIONS

During the year ended October 31, 2019, the Company recorded a net loss and total comprehensive loss of $2,920,353, as compared to a net loss and total comprehensive loss of $346,017 during the year ended October 31, 2018, an increase of $2,574,336. The increase for the year ended October 31, 2019 was primarily attributable to variances in the following items: (i) gain on sale of mineral exploration properties, (ii) writedown of mineral exploration properties and exploration and evaluation assets, (iii) unrealized gain (loss) on financial assets at fair value through profit or loss (iv) forgiveness of debt to Management and (v) write off of accounts payable and accrued liabilities, as further described below:

(i) During the year ended October 31, 2019, the Company recognized a gain on sale of mineral exploration properties of $279,876, as compared to $Nil during the year ended October 31, 2018. The gain was recognized in connection with the sale of the Company's three remaining concessions in the Dominican Republic.

(ii) During the year ended October 31, 2019, the Company recorded a writedown of mineral exploration properties and exploration and evaluation assets of $3,245,518, as compared to $Nil during the year ended October 31, 2018. The writedown was in relation to the Company's Opinaca property ($3,095,636) and its Chapais property ($149,882).

(iii) During the year ended October 31, 2019, the Company recorded an unrealized gain on financial assets at fair value through profit or loss of $228,750, as compared to a loss of $5,000 during the year ended October 31, 2018, a variance of $233,750. The variance is a result of an increase in the market price of the Company's marketable securities and long-term investment.

(iv) During the year ended October 31, 2019, the Company recorded forgiveness of debt to Management of $75,000, as compared to $Nil during the year ended October 31, 2018. The debt forgiveness relates to accrued consulting fees to the Company's CEO, which he elected to cancel to the benefit of the Company.

(v) During the year ended October 31, 2019, the Company recorded a write off of accounts payable and accrued liabilities of $Nil, as compared to $150,000 during the year ended October 31, 2018.

SUMMARY OF QUARTERLY RESULTS

The following information has been derived from the eight most recently completed quarters, all presented in accordance with IFRS:

	October 31,	July 31,	April 30,	January 31,
For the three months ended	2019	2019	2019	2019
	$	$	$	$
Net earnings (loss)	(2,854,338)	(39,443)	(69,366)	42,794
Comprehensive income (loss)	(2,854,338)	(39,443)	(69,366)	42,794
Basic and diluted earnings (loss)				
per common share	(0.0306)	(0.0004)	(0.0007)	0.0005

	October 31,	July 31,	April 30,	January 31,
For the three months ended	2018	2018	2018	2018
	$	$	$	$
Net loss	(163,164)	(38,358)	(98,818)	(45,677)
Comprehensive loss	(163,164)	(38,358)	(98,818)	(45,677)
Basic and diluted loss per				
common share	(0.0017)	(0.0004)	(0.001)	(0.0005)

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity depends on existing cash reserves, supplemented as necessary by equity and/or debt financings. As at October 31, 2019, the Company had a working capital deficiency of $459,584, including cash of $4,775 and current liabilities of $473,467.

During the year ended October 31, 2019, the Company used cash of $152,743 to fund operating activities.

The Company does not have any exploration obligations on its properties. Any exploration projects undertaken by the Company are at the sole discretion of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

As at October 31, 2019 and as of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As outlined in the Business Overview section of this MD&A, the Company has entered into a definitive arrangement agreement pursuant to which Everton will acquire all of the issued and outstanding securities of Molecule, which will result in the shareholders of Molecule holding the majority of outstanding shares of Everton upon closing of the proposed transaction.

As at the date of this MD&A, other than the arrangement agreement with Molecule, there are no proposed asset or business acquisitions or dispositions.

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Related parties include the Board of Directors and key management personnel, as well as close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

Remuneration of directors and key management personnel of the Company was as follows:

For the year ended October 31	**2019**	2018
	$	$
Management and consulting fees	**133,000**	175,283
Benefits	**2,016**	2,688
	135,016	177,971

During the year ended October 31, 2019, consulting fees of $75,000 were paid/payable to a Corporation owned by Andre Audet, the Company's CEO, for services rendered as CEO of the Company (2018 - $120,000). In addition, short-term benefits in the amount of $2,016 were paid on his behalf (2018 - $2,688). During the year ended October 31, 2019, unpaid consulting fees in the amount of $75,000 were forgiven by Andre Audet. The amount was recorded as forgiveness of debt to Management in the consolidated statement of operations and comprehensive income. As at October 31, 2019, unpaid consulting fees in the amount of $135,400 remain outstanding and payable to Andre Audet and have been included in accounts payable and accrued liabilities ($141,250 as at October 31, 2018).

During the year ended October 31, 2019, consulting fees of $40,000 were paid/payable to Brendan Stutt, the Company's CFO, for services rendered as CFO of the Company (2018 - $Nil).

During the year ended October 31, 2019, consulting fees of $18,000 were paid/payable to a Corporation owned by Lucie Letellier, the Company's former CFO, for services rendered as CFO of the Company (2018 - $54,000).

During the year ended October 31, 2019, consulting fees of $Nil were paid/payable to Salvador Brouwer, a former Director of the Company (2018 - $1,283).

Loan Payable

As at October 31, 2019, the Company has a loan payable to the CEO of the Company in the amount of $192,700 ($98,000 as at October 31, 2018). The loan is non-interest bearing and has no specific terms of repayment.

FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash, marketable securities, long-term investment, accounts payable and accrued liabilities and loan payable. Marketable securities and long-term investment are carried at fair value. The fair value of the Company's other financial instruments approximates their carrying value due to their short-term nature.

The classification of financial instruments is as follows:

	October 31, 2019	October 31, 2018
	$	$
Financial assets		
Amortized cost		
Cash	**4,775**	11,414
Fair value through profit or loss		
Marketable securities	**-**	7,500
Long-term investment	**964,250**	-
Total financial assets	**969,025**	18,914
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	**(280,767)**	(235,532)
Loan payable	**(192,700)**	(98,000)
Total financial liabilities	**(473,467)**	(333,532)

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash. The Company's cash is held at reputable financial institutions with high external credit ratings. It is Management's opinion that the Company is not exposed to significant credit risk.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. There are no financial assets that are past due but not impaired for the periods presented.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

The Company holds shares in publicly listed companies in the mineral exploration industry. The Company is exposed to other price risk regarding these shares as unfavorable market conditions could result in the disposal at less than their value at October 31, 2019. As at October 31, 2019, the value of these listed shares was $964,250. At October 31, 2019, had the price for these publicly listed shares been 10% lower, the comprehensive loss for the period would have been $96,425 larger. Conversely, had the price been 10% higher, the comprehensive loss would have been $96,425 smaller.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern in order to maintain its properties in good standing, support normal operating requirements, continue the exploration and evaluation of its mineral properties and support any expansionary plans, and to provide an adequate return to its shareholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. In order to facilitate the management of its capital requirements, management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company prepares annual budgets that are updated as necessary depending on various factors including successful capital deployment and general industry conditions.

There were no significant changes to capital management policies of the Company during the year ended October 31, 2019.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

As at October 31, 2019, the Company was in violation of the above TSXV requirement. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

CHANGE IN ACCOUNTING POLICIES

The Company has not had any changes in accounting policies, other than the adoption of new mandatory standards under IFRS as well as amendments to existing standards, for the year ended October 31, 2019.

RISK AND UNCERTAINTIES

Mineral exploration and development of mineral properties involves significant risks, many of which are outside of the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

Financial Risk

The Company is considered to be in the exploration stage, and it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring such financing, there is no guarantee of obtaining any future financing, or that it will be available on acceptable terms.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market

sentiment for investment in mining and mining exploration companies.

Risk on the Uncertainty of Title

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title.

Environmental Risk

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

CRITICAL ACCOUNTING ESTIMATES

See Note 2 to the Company's consolidated financial statements for the years ended October 31, 2019 and 2018.

NEW ACCOUNTING POLICIES ISSUED BUT NOT YET EFFECTIVE

See Note 2 to the Company's consolidated financial statements for the years ended October 31, 2019 and 2018.

OUTSTANDING SHARE DATA

Common shares and convertible securities outstanding at February 4, 2020, consist of:

Security	Expiry date	Range of exercise price	Securities outstanding
		$	#
Common shares	-	-	93,134,470
Warrants	Up to February 21, 2021	0.07	16,267,500
Stock options	Up to February 24, 2022	0.05 - 0.13	3,300,000

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Additional information on the Company is available on SEDAR (www.sedar.com).

Schedule "B"

Financial Statements and Management Discussion and Analysis of Molecule

MOLECULE INC.

Consolidated Financial Statements

October 31, 2019 and 2018

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Directors of Molecule Inc.

Opinion

We have audited the consolidated financial statements of Molecule Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended October 31, 2019 and the date of incorporation (September 28, 2018) to October 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the year ended October 31, 2019 and the date of incorporation (September 28, 2018) to October 31, 2018, in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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McGovern Hurley

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

McGovern Hurley

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 04, 2020

Molecule Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	**October 31, 2019**	October 31, 2018
	$	$
ASSETS		
Current assets		
Cash	**2,288,191**	-
Sales taxes receivable	**305,610**	-
Other receivables	**2,874**	-
Prepaid expenses	**76,675**	61,300
	2,673,350	61,300
Deposits (Note 3)	**307,079**	-
Capital assets (Note 3)	**2,070,099**	-
Total assets	**5,050,528**	61,300
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**516,949**	-
Current portion of lease liability (Note 5)	**36,730**	-
Other current liabilities (Note 8)	**-**	61,299
	553,679	61,299
Lease liability (Note 5)	**178,649**	-
Total liabilities	**732,328**	61,299
EQUITY		
Share capital (Note 6)	**5,251,972**	1
Contributed surplus (Note 7)	**157,475**	-
Deficit	**(1,091,247)**	-
Total equity	**4,318,200**	1
Total liabilities and equity	**5,050,528**	61,300

On behalf of the Board

(signed) "Andre Audet"
Andre Audet, Director

(signed) "Phil Waddington"
Phil Waddington, Director

The accompanying notes are an integral part of these consolidated financial statements.

Molecule Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the year ended October 31, 2019	From the date of incorporation (September 28, 2018) to October 31, 2018
	$	$
Operating expenses		
Management and consulting fees	**402,285**	-
Salaries and benefits	**209,243**	-
Professional fees	**229,059**	-
Office	**71,060**	-
Depreciation of capital assets (Note 3)	**27,986**	-
Interest on lease liability	**15,514**	-
Stock-based compensation (Note 7)	**157,475**	-
Loss before other items	**(1,112,622)**	-
Other income		
Interest income	**21,375**	-
Net loss and total comprehensive loss	**(1,091,247)**	-
Basic and diluted net loss per common share	**(0.02)**	-
Basic and diluted weighted average number of common shares outstanding	**46,563,342**	100

The accompanying notes are an integral part of these consolidated financial statements.

Molecule Inc.

Consolidated Statements of Changes in Equity

(in Canadian dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	# of shares	$	$	$	$
Balance, September 28, 2018 (date of incorporation) and October 31, 2018	**100**	**1**	**-**	**-**	**1**
Shares issued for cash (Note 6)	55,995,433	4,439,772	-	-	4,439,772
Shares issued for debt (Note 6)	6,504,567	110,228	-	-	110,228
Shares issued to acquire Burrard Bay Capital Corp (Note 6)	10,000,000	1,000,000	-	-	1,000,000
Shares issued for services (Note 6)	300,000	30,000	-	-	30,000
Share issuance costs	-	(328,029)	-	-	(328,029)
Stock-based compensation	-	-	157,475	-	157,475
Net loss and total comprehensive loss	-	-	-	(1,091,247)	(1,091,247)
Balance, October 31, 2019	**72,800,100**	**5,251,972**	**157,475**	**(1,091,247)**	**4,318,200**

The accompanying notes are an integral part of these consolidated financial statements.

Molecule Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended October 31, 2019	From the date of incorporation (September 28, 2019) to October 31, 2018
	$	$
OPERATING ACTIVITIES		
Net loss	**(1,091,247)**	-
Adjustments for:		
Stock-based compensation	**157,475**	-
Depreciation of capital assets	**27,986**	-
Interest on lease liability	**15,514**	-
Interest income	**(21,375)**	-
Changes in non-cash working capital items	**2,148**	(1)
Net cash flows from operating activities	**(909,499)**	(1)
INVESTING ACTIVITIES		
Interest received	**18,501**	-
Deposit	**(307,079)**	-
Investment in capital assets	**(1,585,475)**	-
Net cash flows from investing activities	**(1,874,053)**	-
FINANCING ACTIVITIES		
Shares issued for cash	**5,439,772**	1
Share issuance costs	**(328,029)**	-
Lease payments	**(40,000)**	-
Net cash flows from financing activities	**5,071,743**	1
Increase in cash	**2,288,191**	-
Cash, beginning of the period	**-**	-
Cash, end of the period	**2,288,191**	-
Changes in non-cash working capital items consists of the following:		
Sales taxes receivable	**(305,610)**	-
Prepaid expenses	**(15,375)**	(61,300)
Accounts payable and accrued liabilities	**323,133**	-
Other current liabilities	**-**	61,299
	2,148	(1)
Supplemental information:		
Shares issued for debt and services (Note 6)	**140,228**	-

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Molecule Inc. (the "Company" or "Molecule") was incorporated on September 28, 2018 under the Business Corporations Act (Ontario).

On February 28, 2020, Molecule was issued a Standard Processing Licence by Health Canada (the "Licence") in accordance with the Cannabis Act and Cannabis Regulations. The Licence authorizes Molecule to: possess cannabis; produce cannabis, other than obtaining it by cultivating, propagating or harvesting it; and to sell cannabis in accordance with subsection 17(5) of the Cannabis Regulations and in accordance with the conditions of the Licence.

The Company will engage in the production and co-packing of cannabis-infused beverages by providing the infrastructure, knowhow, technology and licence for craft beverage producers to create cannabis beverages. The address of the Company's corporate office is 591 Reynolds Road, Lansdowne, Ontario K0E 1L0.

Arrangement Agreement with Everton Resources Inc.

On November 27, 2019, the Company entered into a definitive arrangement agreement with Everton Resources Inc. ("Everton") pursuant to which Everton will acquire (the "Proposed Transaction") all of the issued and outstanding securities of Molecule, by way of plan of arrangement (the "Plan of Arrangement"), which will result in the shareholders of Molecule holding the majority of outstanding shares of Everton upon closing of the Proposed Transaction (the "Resulting Issuer").

Prior to the closing of the Proposed Transaction, it is anticipated that Everton will apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its common shares from the TSX Venture Exchange (the "TSXV"). It is expected that the Company will delist from the TSXV immediately prior to the completion of the Proposed Transaction and the listing on the CSE (Note 11).

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. As at October 31, 2019, the Company had not yet generated any revenues from operations. The Company has no income or cash inflow from operations. Continued operation of the Company is dependent on achieving commercial operations, which requires continued financial support through equity and/or debt financings, or the achievement of profitable operations in the future. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. These financial statements do not include any adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and compliance with IFRS

These consolidated financial statements have been prepared on a historical cost basis and are expressed in Canadian dollars, which is also the functional currency of the parent Company and its subsidiary. These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on March 4, 2020.

(Expressed in Canadian dollars)

(b) Basis of consolidation

These consolidated financial statements consolidate those of the parent company and its subsidiary as at and for the year ended October 31, 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of October 31.

All intercompany transactions and balances between the companies are eliminated on consolidation, including unrealized gains and losses on transactions. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Composition of the Company:

The subsidiaries of the Company and their principal activities as at October 31, 2019 and 2018 were as follows:

		Ownership interest as at October 31,		
Name of subsidiary	Place of incorporation	2019	2018	Principal activity
Burrard Bay Capital Corp.	Canada	100%	-	Holding Company

(c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets at amortized costs

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset is initially measured at fair value, including transaction costs and subsequently at amortized cost. The Company's cash and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resulting gain or loss recognized in profit or loss. Transaction costs are expensed as incurred. The Company does not have any assets that fall into this category of financial instruments.

Impairment of financial assets

All financial assets not classified as fair value through profit or loss, including an interest in an equity-accounted investee, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial reorganization;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company generally considers a decline of 20% to be significant and a period of nine months to be prolonged.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables is presented in profit or loss, if applicable.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. Financial liabilities at FVTPL are stated at fair value, with changes being recognized through profit or loss. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company's financial liabilities include accounts payable and accrued liabilities and other current liabilities.

Fair value hierarchy

Financial instruments measured at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices unadjusted in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As at October 31, 2019 and 2018, the Company did not have any financial instruments measured at fair value that require classification within the fair value hierarchy.

(d) Capital assets

Capital assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the following methods and terms:

Asset type	Depreciation method	Depreciation term
Right of use asset	Straight line	5 years
Construction in progress	Not depreciated	No term
Equipment	Straight line	5-10 years

A capital asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying value of the asset, is included in profit or loss in the period the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed on an annual basis, and adjusted prospectively, if appropriate.

There have been no impairment losses with respect to capital assets recognized in any of the periods presented in these consolidated financial statements.

(e) Leases and right-of-use assets

The Company has early adopted IFRS 16 Leases, which is effective for annual reporting periods beginning on or after January 1, 2019. The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

(f) Impairment of non-financial assets

The Company assesses non-financial assets for impairment when facts and circumstances suggest that the carrying amount of the assets are impaired. An impairment review is undertaken when indicators of impairment arise.

Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash inflows (cash-generating units or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use, being the present value of the expected future cash flows of the relevant asset or CGU. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Any reversal of impairment is recognized immediately in profit or loss.

(g) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The Company had no material provisions as at October 31, 2019 and 2018.

(h) Share-based compensation

The Company operates an equity-settled stock-based remuneration plan (stock option plan) for directors, officers, employees and certain consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any stock-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees, or consultants providing similar services, are rewarded using stock-based payments, the fair values of the services rendered are determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and if applicable, recognized over the vesting period. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if stock options ultimately exercised are different to that estimated on vesting. Stock-based compensation expense incorporates an expected forfeiture rate.

(i) Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings (loss) per share. The diluted loss per share is equal to the basic loss per share where the effect of warrants and/or stock options is antidilutive, as it would decrease the loss per share.

In the calculation of diluted loss per share for the year ended October 31, 2019, 2,500,000 stock options were excluded as they were antidilutive.

(j) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(k) Segmented reporting

The Company presents and discloses segmented information based on information that is regularly reviewed by the Company's CEO, who is the chief operating decision maker. The CEO has primary responsibility for allocating resources to the Company's operating segments and assessing their performance. The Company is currently in the development stage and has determined that there is only one operating segment being the production and co-packing of cannabis-infused beverages.

(l) Significant management judgements

The following are significant management judgments in applying the accounting policies of the Company and have the most significant effect on the financial statements.

Going concern

The assessment of the Company's ability to continue as a going concern, to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual obligations involves significant judgments based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Estimated useful lives, impairment considerations and depreciation of capital assets

Depreciation of capital assets is dependent upon estimates of useful lives based on management's judgment.

Impairment of definite long-lived assets is influenced by judgment in defining a CGU and determining the indicators of impairment, and estimates used to measure impairment losses.

The recoverable value of long-lived assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

Measurement of right-of-use asset and lease liability on initial recognition

The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate, which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

Share-based compensation

The fair value of share-based compensation expenses is estimated using the Black-Scholes option pricing model and relies on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

(m) Standards, amendments and interpretations not yet effective

The IASB has issued the following new and revised standards and amendments, which are not yet effective and which may have future applicability to the Company.

IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The extent of the impact on the Company of adopting these amendments has not yet been determined.

IFRS 3, Business Combinations

In October 2018, IFRS 3 - Business Combinations ("IFRS 3") was amended to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition, it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The extent of the impact on the Company of adopting these amendments has not yet been determined.

(Expressed in Canadian dollars)

3. CAPITAL ASSETS

	Right of use asset (1)	Construction in progress (2)	Equipment (3)	Total
	$	$	$	$
Cost				
Balance, September 28, 2018 (date of incorporation) and October 31, 2018	-	-	-	-
Additions	239,865	1,082,628	775,592	2,098,085
Cost, October 31, 2019	**239,865**	**1,082,628**	**775,592**	**2,098,085**
Accumulated depreciation				
Balance, September 28, 2018 (date of incorporation) and October 31, 2018	-	-	-	-
Depreciation	27,986	-	-	27,986
Accumulated depreciation, October 31, 2019	**27,986**	**-**	**-**	**27,986**
Net Book Value, October 31, 2019	**211,879**	**1,082,628**	**775,592**	**2,070,099**

(1) Effective April 1, 2019, the Company entered into a lease for a parcel of land and building for an initial term of five years, for which a right-of-use asset was recognized in the amount of $239,865 (Note 5).

(2) During the year ended October 31, 2019, the Company incurred expenditures of $1,082,628 in leasehold improvements on its leased facility, which is intended to be its future production facility. The construction in progress is not depreciated as it is not yet ready for use.

(3) During the year ended October 31, 2019, the Company purchased equipment in the amount of $775,592, to be used in the production of cannabis-infused beverages. The equipment is not depreciated as it is not yet ready for use.

As at October 31, 2019, the Company had paid deposits totaling $307,079 for equipment to be used at its future production facility. The equipment is still on order and therefore has been included in deposit in the consolidated statements of financial position.

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities and other current liabilities. The fair value of the Company's financial instruments approximates their carrying value due to their short-term nature.

The classification of financial instruments is as follows:

	October 31, 2019	October 31, 2018
	$	$
Financial assets		
Amortized cost		
Cash	**2,288,191**	-
Other receivables	**2,874**	-
Total financial assets	**2,291,065**	-
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	**(516,949)**	-
Other current liabilities	**-**	(61,299)
Total financial liabilities	**(516,949)**	(61,299)

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash. The Company's cash is held at reputable financial institutions with high external credit ratings. It is Management's opinion that the Company is not exposed to significant credit risk.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. There are no financial assets that are past due but not impaired for the periods presented.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the

(Expressed in Canadian dollars)

Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. The Company's account payable and other liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares through equity offerings or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. There have been no changes to the Company's capital management approach during the year ended October 31, 2019 or during the period from September 28, 2018 (date of incorporation) to October 31, 2018.

5. LEASE LIABILITY

	$
Balance, September 28, 2018 (date of incorporation) and October 31, 2018	**-**
Addition (1)	239,865
Interest expense	15,514
Lease payments	(40,000)
Balance, October 31, 2019	**215,379**
Current	36,730
Long-term	178,649
	215,379

(1) Effective April 1, 2019, the Company entered into a lease with Thousand Island Farms Inc., a company owned by the CEO/Director of Molecule, for a parcel of land and a building. The lease has an initial five year term which expires, unless extended, in April 2024. For and during the first and second year of the lease, the base rent is $60,000, payable in equal monthly instalments of $5,000. For and during the third and fourth year of the lease, the base rent is $63,000, payable in equal monthly instalments of $5,250. For and during the fifth year of the lease, the base rent is $66,150, payable in equal monthly instalments of $5,513. Provided that the Company is not in default in the performance of any term of the lease, Molecule has the irrevocable option to purchase, during the lease term, the premises and land for a purchase price equal to $875,000 if exercised in the first year of the lease, subject to increases in each year of the lease based on the annual Consumer Price Index percentage. The Company was charged an amount of $5,000 in consideration for the grant of the purchase option, which is non-refundable.

(Expressed in Canadian dollars)

6. SHARE CAPITAL

Authorized
An unlimited number of the following shares:

Class "A" common shares - voting common shares, no par value
Class "B" common shares – voting common shares, no par value

Issued
Class "A" common shares

	Number of shares	$
Balance, September 28, 2018 (date of incorporation) and October 31, 2018 (1)	**100**	**1**
Shares issued for cash (2)(3)(4)	55,995,433	4,439,772
Shares issued for debt (5)	6,504,567	110,228
Shares issued to acquire Burrard Bay Capital Corp (6)	10,000,000	1,000,000
Shares issued for services (7)	300,000	30,000
Share issuance costs	-	(328,029)
Balance, October 31, 2019	**72,800,100**	**5,251,972**

(1) On September 28, 2018, on incorporation of the Company, 100 class B common shares were issued for total consideration of $1. These are the only class B common shares to have been issued. They are identical in all respects to the class A common shares and therefore have been grouped in with the class A common shares in the table above for presentation purposes.

(2) On November 30, 2018, the Company closed a private placement for gross proceeds of $25,000. The private placement was comprised of 5,000,000 shares at a price of $0.005 per share. A Director of the Company participated in the private placement for a total amount of $15,000.

(3) In December 2018, the Company closed a private placement for gross proceeds of $684,772. The private placement was comprised of 13,695,433 shares at a price of $0.05 per share. A Director of the Company participated in the private placement for an amount of $34,772.

(4) In March/April 2019, the Company closed a private placement for gross proceeds of $3,730,000. The private placement was comprised of 37,300,000 shares at a price of $0.10 per share. A Director of the Company participated in the private placement for an amount of $50,000.

(5) Under shares for debt agreements, the Company issued 5,000,000 shares on November 30, 2018 in settlement of $25,000 in debt, 1,304,567 shares in December 2018 in settlement of $65,228 in debt and 200,000 shares in April 2019 in settlement of $20,000 in debt. In total, the Company issued 6,504,567 shares in settlement of $110,228 in debt. Officers and Directors received a total of 5,304,567 shares in settlement of $85,228 in debt.

(6) On June 13, 2019, the Company acquired all of the issued and outstanding shares of Burrard Bay Capital Corp. ("Burrard Bay") by issuing 10,000,000 common shares at a deemed price of $0.10 per share. At the date of acquisition, Burrard Bay, a Canadian holding company, held cash in the amount of $1,000,000 and

(Expressed in Canadian dollars)

had no other assets or liabilities. Given that the economic substance of the transaction was that of a financing, with the Company effectively issuing common shares for cash, it has been recorded as such for accounting purposes, with direct costs recorded as a reduction of share capital.

(7) On September 15, 2019, the Company issued 300,000 common shares to a consultant at a price per share of $0.30, for advisory services rendered to the Company through to September 15, 2019.

7. STOCK OPTIONS

On June 15, 2019, the Company adopted an incentive stock option plan (the "Option Plan"). The purpose of the Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants and to reward them for their contributions toward creating shareholder value through the achievement of the short and long-term goals of the Company.

The following table reflects the continuity of stock options:

	Number of options	Weighted average exercise price
		$
Balance, September 28, 2018 (date of incorporation) and October 31, 2018	**-**	**-**
Granted (1)(2)	2,500,000	0.10
Balance, October 31, 2019	**2,500,000**	**0.10**

(1) On July 2, 2019, 1,000,000 stock options were granted to a consultant of the Company at an exercise price of $0.10 per share, which vest evenly over a twelve month period and expire five years following the date upon which the Company's (or its affiliate's) common shares are listed for trading on a nationally recognized stock exchange in Canada.

(2) On July 12, 2019, 1,500,000 stock options were granted to directors, officers and employees of the Company at an exercise price of $0.10 per share, which all vested immediately and expire on July 12, 2024.

As at October 31, 2019, the following stock options were outstanding and exercisable:

	Outstanding			Exercisable	
Exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
		(in years)			
$0.10	**2,500,000**	**4.82**	**0.10**	**1,750,000**	**0.10**

As at October 31, 2018, there were no stock options outstanding.

(Expressed in Canadian dollars)

The following table reflects the weighted-average fair value of stock options for the periods presented and the related Black-Scholes option pricing model inputs that were used in the calculations:

	For the year ended October 31, 2019	From the date of incorporation (September 28, 2018) to October 31, 2018
Stock options granted	**2,500,000**	-
Weighted average fair value	**0.10**	-
Weighted-average exercise price	**0.10**	-
Weighted-average market price at date of grant	**0.10**	-
Expected life of stock options (years)	**5.00**	-
Expected stock price volatility	**100%**	-
Risk-free interest rate	**1.46%**	-
Expected dividend yield	**0%**	-

The underlying expected stock price volatility is based on historical data of similar companies, as the Company has limited historical data itself on which it could be based.

The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the options.

In total, $157,475 of stock-based payments (all of which relate to equity-settled stock-based payment transactions) were included in profit or loss for the year ended October 31, 2019 and credited to contributed surplus.

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Related parties include the Board of Directors and key management personnel, as well as close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

Remuneration of directors and key management personnel of the Company was as follows:

	For the year ended October 31, 2019	From the date of incorporation (September 28, 2018) to October 31, 2018
	$	$
Salaries	**40,000**	-
Consulting fees (1)	**85,000**	-
Stock-based compensation	**67,134**	-
	192,134	-

(1) As at October 31, 2019, unpaid consulting fees in the amount of $5,000 are owed to management and have been included in accounts payable and accrued liabilities ($Nil as at October 31, 2018).

Other current liabilities

As at October 31, 2019, included in other current liabilities was an amount of $Nil due to the CEO of the Company ($61,299 as at October 31, 2018) for funds advanced to the Company for working capital purposes. The amount was non-interest bearing and had no specific terms of repayment.

See Notes 5, 6 and 11 for additional related party disclosure.

9. COMMITMENTS

Advisory Agreement

Effective June 15, 2019, the Company entered into an advisory agreement with a financial services company (the “Consultant”). Under the agreement, the Consultant serves as a strategic advisor to assist the Company in developing a current and ongoing acquisition and capital markets strategy. In consideration for the advisory services, the Company will pay the Consultant a monthly retainer in the amount of $10,000, which is payable in common shares of Molecule on a quarterly basis. The common shares will be valued at $0.10 per share unless the common shares of the Company become listed on a stock exchange at which point, the common shares will be valued based on the greater of $0.10 and the lowest price per common share allowed by the applicable stock exchange. The agreement is for a term of twelve months.

(Expressed in Canadian dollars)

10. INCOME TAXES

Provision for income taxes

A reconciliation of the combined federal and provincial statutory rate of 26.5% with the Company's effective income tax rate is as follows:

	For the year ended October 31, 2019	From the date of incorporation (September 28, 2018) to October 31, 2018
	$	$
Net loss before income taxes	**(1,091,247)**	-
Expected income tax recovery based on statutory rate	**(289,000)**	-
Adjustment to expected income tax benefit:		
Stock-based compensation	**42,000**	-
Changes in temporary differences not recorded	**(87,000)**	-
Change in tax assets not recognized	**334,000**	-
Income tax provision (recovery)	**-**	-

Deferred income tax

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

As at	**October 31 2019**	October 31, 2018
	$	$
Non-capital loss carry-forwards	**956,000**	-
Share issuance costs	**262,000**	-
	1,218,000	-

Tax loss carry-forwards

As at October 31, 2019, the Company has the following non-capital losses for which no deferred tax asset was set up. The carry-forward balances expire as follows:

Year of Expiry	Amount
	$
2039	**956,000**

11. SUBSEQUENT EVENTS

Arrangement Agreement with Everton Resources Inc.

Subsequent to year-end, Molecule entered into a Definitive Arrangement Agreement with Everton Resources Inc. ("Everton"), dated November 27, 2019, pursuant to which Everton will acquire (the "Proposed Transaction") all of the issued and outstanding securities of Molecule (Note 1).

Everton is a related party since the CEO and director of Everton is also the CEO, director and shareholder of Molecule, and the CFO of Everton, is also the CFO of Molecule.

As a condition of the Proposed Transaction, Everton will effect a consolidation (the "Consolidation") of its issued and outstanding common shares on the basis of one new common share (each a "Everton Share") for every ten (10) common shares of Everton issued and outstanding on the effective date of the Consolidation. In addition, prior to the closing, it is expected that Everton will change its corporate name to "Molecule Holdings Inc" or such other name as may be determined by the board of directors (the "Name Change").

Prior to the closing of the Proposed Transaction, it is anticipated that Everton will apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its common shares from the TSX Venture Exchange (the "TSXV"). It is expected that the Company will delist from the TSXV immediately prior to the completion of the Proposed Transaction and the listing on the CSE.

Pursuant to the Proposed Transaction, one Everton share will be issued for each common share of Molecule (the "Molecule Share(s)") issued and outstanding immediately prior to the completion of the Proposed Transaction.

As a condition to the closing of the Proposed Transaction, Molecule intends to complete a private placement offering ("Private Placement") of units (the "Molecule Units"), for a minimum of $2 million, each Molecule Unit consisting of one common share of Molecule and a minimum of one-half of one share purchase warrant, with final terms to be determined by the parties in the context of the market.

Completion of the Proposed Transaction will be subject to the satisfaction of various conditions, including (i) the completion of the Private Placement in the minimum amount of $2 million, (ii) the filing of articles of amendment to give effect to the Name Change, the Consolidation and the creation of the Preferred Shares, (iii) the receipt of the approval of the majority of the minority of Everton's shareholders, as well as the approval of a special majority of Molecule's shareholders of the Proposed Transaction, (iv) the satisfaction or waiver of all applicable conditions precedent, and (v) the receipt of conditional approval from the CSE for the proposed listing of the shares of the Resulting Issuer on the CSE.

Shares issued in accordance with Employment Agreement

On December 1, 2019, the Company issued 1,000,000 common shares to the Company's Chief Regulatory Officer, in accordance with his terms of employment.

Shares issued in accordance with Advisory Agreement

Pursuant to an Advisory Agreement (Note 9), the Company issued 300,000 common shares on December 15, 2019 to the Consultant.

MOLECULE INC.

Management's Discussion and Analysis

For the year ended October 31, 2019

This Management's Discussion and Analysis ("MD&A") for Molecule Inc. (the "Company" or "Molecule") should be read in conjunction with the consolidated financial statements for year ended October 31, 2019 and the notes thereto.

The financial information in this MD&A is derived from the Company's consolidated financial statements for the year ended October 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The effective date of this MD&A is March 4, 2020.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this document may contain "forward-looking statements". Forward-looking statements may include, among others, statements regarding the Company's future plans, costs, objectives, economic performance, or the assumptions underlying any of the foregoing. In this document, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control. These risks and uncertainties include, but are not limited to, those described under the headings "Risk Management and Capital Management" and "Inherent Risk Factors" in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events or circumstances or otherwise, except if required by applicable law.

BUSINESS OVERVIEW

Molecule Inc. (the "Company" or "Molecule") was incorporated on September 28, 2018 under the Business Corporations Act (Ontario).

On February 28, 2020, Molecule was issued a Standard Processing Licence by Health Canada (the "Licence") in accordance with the Cannabis Act and Cannabis Regulations. The Licence authorizes Molecule to: possess cannabis; produce cannabis, other than obtaining it by cultivating, propagating or harvesting it; and to sell cannabis in accordance with subsection 17(5) of the Cannabis Regulations and in accordance with the conditions of the Licence.

The Company will engage in the production and co-packing of cannabis-infused beverages by providing the infrastructure, knowhow, technology and licence for craft beverage producers to create cannabis beverages. The address of the Company's corporate office is 591 Reynolds Road, Lansdowne, Ontario K0E 1L0.

Arrangement Agreement with Everton Resources Inc.

On November 27, 2019, the Company entered into a definitive arrangement agreement with Everton Resources Inc. ("Everton") pursuant to which Everton will acquire (the "Proposed Transaction") all of the issued and outstanding securities of Molecule, by way of plan of arrangement (the "Plan of Arrangement"), which will result in the shareholders of Molecule holding the majority of outstanding shares of Everton upon closing of the Proposed Transaction (the "Resulting Issuer").

Prior to the closing of the Proposed Transaction, it is anticipated that Everton will apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its common shares from the TSX Venture Exchange (the "TSXV"). It is expected that the Company will delist from the TSXV immediately prior to the completion of the Proposed Transaction and listing on the CSE.

The Proposed Transaction may be considered a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions and Policy 5.9 of the TSXV, since the CEO and director of Everton is also the CEO, director and shareholder of Molecule, and the CFO of Everton, is also the CFO of Molecule. The Proposed Transaction is exempt from the formal valuation requirements set out in the foregoing regulatory instruments due to the fact that the shares of Everton are listed on the TSXV.

As a condition of the Proposed Transaction, Everton will effect a consolidation (the "Consolidation") of its issued and outstanding common shares on the basis of one new common share (each a "Everton Share") for every ten (10) common shares of Everton issued and outstanding on the effective date of the Consolidation. In addition, prior to the closing, it is expected that Everton will change its corporate name to "Molecule Holdings Inc" or such other name as may be determined by the board of directors (the "Name Change").

Pursuant to the Proposed Transaction, one Everton share will be issued for each common share of Molecule (the "Molecule Share(s)") issued and outstanding immediately prior to the completion of the Proposed Transaction, at a deemed value of $0.30 per Everton Share.

As a condition to the closing of the Proposed Transaction, Molecule intends to complete a private placement offering ("Private Placement") of units (the "Molecule Units"), for a minimum of $2 million, each Molecule Unit consisting of one common share of Molecule and a minimum of one-half of one share purchase warrant, with final terms to be determined by the parties in the context of the market.

Concurrently with, and as a condition of, the closing of the Proposed Transaction, creditors of Everton will convert $243,100 of indebtedness into an aggregate of 810,333 Everton Shares at a deemed issue price of $0.30 per share. All the foregoing indebtedness is due to the CEO of Everton, for advances and loans that he has made to Everton in order to satisfy Everton's minimum working capital needs in the absence of any reasonable third-party alternatives.

Post-consolidation and following the completion of the Proposed Transaction, the Resulting Issuer is anticipated to have a total of 84,223,880 common shares issued and outstanding, subject to increase in accordance with the terms of the Arrangement Agreement, including in particular, with respect to the Private Placement. The Resulting Issuer is also anticipated to have 4,456,750 options or warrants (post-Consolidation), exercisable into common shares of the Resulting Issuer, issued and outstanding upon completion of the Proposed Transaction.

In connection with, and immediately prior to, the closing of the Proposed Transaction, Everton intends to create and issue preferred shares ("Preferred Shares"), on the basis of one Preferred Share for every issued and outstanding Everton Share on the record date to be established by the Board of Directors of Everton, to shareholders of Everton. The record date for the issuance of the Preferred Shares is expected to be the same as the record date for the special meeting to be called in connection with the Proposed Transaction. The purpose of the Preferred Shares is to provide the current Everton shareholders with a right to receive, on a pro rata basis, an economic benefit, subject to an aggregate maximum of up to $500,000, in the event that any of the Everton mining royalties are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Preferred Shares. The Preferred Shares would provide that, if triggered, the Preferred Shares would be redeemable, on a pro rata basis, for cash up to an aggregate maximum of $500,000. The Preferred Shares would otherwise not have any rights or recourses.

Completion of the Proposed Transaction will be subject to the satisfaction of various conditions, including (i) the completion of the Private Placement in the minimum amount of $2 million, (ii) the filing of articles of amendment to give effect to the Name Change, the Consolidation and the creation of the Preferred Shares, (iii) the receipt of the approval of the majority of the minority of Everton's shareholders, as well as the approval of a special majority of Molecule's shareholders of the Proposed Transaction, (iv) the satisfaction or waiver of all applicable conditions precedent, and (v) the receipt of conditional approval from the CSE for the proposed listing of the shares of the Resulting Issuer on the CSE.

CORPORATE DEVELOPMENT HIGHLIGHTS

CLOSING OF PRIVATE PLACEMENTS & OTHER FINANCING

On September 28, 2018, on incorporation of the Company, 100 class B common shares were issued for total consideration of $1. These are the only class B common shares to have been issued. They are identical in all respects to the class A common shares.

On November 30, 2018, the Company closed a private placement for gross proceeds of $25,000. The private placement was comprised of 5,000,000 shares at a price of $0.005 per share. A Director of the Company participated in the private placement for a total amount of $15,000.

In December 2018, the Company closed a private placement for gross proceeds of $684,772. The private placement was comprised of 13,695,433 shares at a price of $0.05 per share. A Director of the Company participated in the private placement for an amount of $34,772.

In March/April 2019, the Company closed a private placement for gross proceeds of $3,730,000. The private placement was comprised of 37,300,000 shares at a price of $0.10 per share. A Director of the Company participated in the private placement for an amount of $50,000.

Under shares for debt agreements, the Company issued 5,000,000 shares on November 30, 2018 in settlement of $25,000 in debt, 1,304,567 shares in December 2018 in settlement of $65,228 in debt and 200,000 shares in April 2019 in settlement of $20,000 in debt. In total, the Company issued 6,504,567 shares in settlement of $110,228 in debt. Officers and Directors received a total of 5,304,567 shares in settlement of $85,228 in debt.

On June 13, 2019, the Company acquired all of the issued and outstanding shares of Burrard Bay Capital Corp. ("Burrard Bay") by issuing 10,000,000 common shares at a deemed price of $0.10 per share. At the date of acquisition, Burrard Bay, a Canadian holding company, held cash in the amount of $1,000,000 and had no other assets or liabilities. Given that the economic substance of the transaction was that of a financing, with the Company effectively issuing common shares for cash, it has been recorded as such for accounting purposes, with direct costs recorded as a reduction of share capital.

STANDARD PROCESSING LICENCE

On February 28, 2020, Molecule was issued a Standard Processing Licence by Health Canada (the "Licence") in accordance with the Cannabis Act and Cannabis Regulations. The Licence authorizes Molecule to: possess cannabis; produce cannabis, other than obtaining it by cultivating, propagating or harvesting it; and to sell cannabis in accordance with subsection 17(5) of the Cannabis Regulations and in accordance with the conditions of the Licence.

LEASE OF LAND & BUILDING IN THE THOUSAND ISLANDS' REGION OF EASTERN ONTARIO

Effective April 1, 2019, the Company entered into a lease with Thousand Island Farms Inc., a company owned by Andre Audet, the CEO of Molecule, for a parcel of land and a building located in the Thousand Islands' region of Eastern Ontario. The lease has an initial five year term which expires, unless extended, in April 2024. For and during the first and second year of the lease, the base rent is $60,000, payable in equal monthly instalments of $5,000. For and during the third and fourth year of the lease, the base rent is $63,000, payable in equal monthly instalments of $5,250. For and during the fifth year of the lease, the base rent is $66,150, payable in equal monthly instalments of $5,513. Provided that the Company is not in default in the performance of any term of the lease, Molecule has the irrevocable option to purchase, during the lease term, the premises and land for a purchase price equal to $875,000 if exercised in the first year of the lease, subject to increases in each year of the lease based on the annual Consumer Price Index percentage. The Company paid an amount of $5,000 in consideration for the grant of the purchase option, which is non-refundable.

GRANTING OF STOCK OPTIONS

On July 2, 2019, 1,000,000 stock options were granted to a consultant of the Company at an exercise price of $0.10 per share, which vest evenly over a twelve month period and expire five years following the date upon which the Company's (or its affiliate's) common shares are listed for trading on a nationally recognized stock exchange in Canada.

On July 12, 2019, 1,500,000 stock options were granted to directors, officers and employees of the Company at an exercise price of $0.10 per share, which all vested immediately and expire on July 12, 2024.

ADVISORY AGREEMENT

Effective June 15, 2019, the Company entered into an advisory agreement with a financial services company (the "Consultant"). Under the agreement, the Consultant serves as a strategic advisor to assist the Company in developing a current and ongoing acquisition and capital markets strategy. In consideration for the advisory services, the Company will pay the Consultant a monthly retainer in the amount of $10,000, which is payable in common shares of Molecule on a quarterly basis. The common shares will be valued at $0.10 per share unless the common shares of the Company become listed on a stock exchange at which point, the common shares will be valued based on the greater of $0.10 and the lowest price per common share allowed by the applicable stock exchange. The agreement is for a term of twelve months.

Pursuant to the advisory agreement, the Company issued 300,000 common shares on September 15, 2019 and another 300,000 on December 15, 2019, at a deemed price of $0.10 per share.

SHARES ISSUED IN ACCORDANCE WITH EMPLOYMENT AGREEMENT

On December 1, 2019, the Company issued 1,000,000 common shares, at a deemed value of $0.10 per share, to the Company's Chief Regulatory Officer, in accordance with his terms of employment.

SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from the Company's consolidated financial statements for the year ended October 31, 2019, which were prepared in accordance with IFRS:

	October 31,
Year ended	**2019**
	$
Net loss	**(1,091,247)**
Comprehensive loss	**(1,091,247)**
Basic and diluted loss per common share	**(0.02)**

	October 31,
As at	**2019**
	$
Total assets	**5,050,528**
Total liabilities	**732,328**

PAYMENT OF DIVIDENDS

The Company's current policy is to retain earnings to finance the development of its business. Therefore, the Company does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by the Board of Directors in the context of its

earnings, financial condition and other relevant factors. Until the time that the Company does pay dividends, which it may never do, shareholders will not be able to receive a return on their Common Shares unless they sell them.

RESULTS OF OPERATIONS

During the year ended October 31, 2019, the Company recorded a net loss and total comprehensive loss of $1,091,247. The loss was primarily attributable to management and consulting fees ($402,285), salaries and benefits ($209,243), professional fees ($229,059) and stock-based compensation ($157,475), as further described below:

- Management and consulting fees of $402,285 for the year ended October 31, 2019 include $85,000 paid/payable to the Company's management and $317,285 paid/payable to consultants providing services in a number of areas, including but not limited to corporate advisory, logistics. marketing and general administration.

- Salaries and benefits of $209,243 for the year ended October 31, 2019 include $40,000 paid/payable to the Company's management and $169,243 paid/payable to other employees, engaged in a number of areas, including but not limited to research and product development, logistics and quality assurance.

- Professional fees of $229,059 for the year ended October 31, 2019 include $53,314 in legal fees related to the organization of the Company and other general corporate matters, $14,000 in audit fees and $161,745 in other professional fees in connection with the preparation and filing of the Company's application for a Standard Processing Licence with Health Canada.

- Stock-based compensation of $157,475 for the year ended October 31, 2019 is attributable to the 2,500,000 stock options granted in July 2019 to directors, officers, employees and consultants, under the Company's incentive stock option plan, 1,500,000 of which vested immediately upon grant. The purpose of the option plan is to attract, retain and motivate qualified directors, officers, employees and consultants and to reward them for their contributions toward creating shareholder value through the achievement of the short and long-term goals of the Company.

SUMMARY OF QUARTERLY RESULTS

The following information has been derived from the four most recently completed quarters, since the incorporation of the Company on September 28, 2018, all presented in accordance with IFRS:

	October 31,	**July 31,**	**April 30,**	**January 31,**
For the three months ended	**2019**	**2019**	**2019**	**2019**
	$	**$**	**$**	**$**
Net loss	(357,424)	(457,322)	(100,993)	(175,508)
Comprehensive loss	(357,424)	(457,322)	(100,993)	(175,508)
Basic and diluted loss per				
common share	(0.005)	(0.007)	(0.003)	(0.013)

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity depends on existing cash reserves, supplemented as necessary by equity and/or debt financings. As at October 31, 2019, the Company had a working capital of $2,119,671, including cash of $2,288,191 and current liabilities of $553,679.

During the year ended October 31, 2019, the Company used cash of $909,499 to fund operating activities.

As the Company's focus has been primarily on the retrofitting of its facility in the Thousand Islands region of Eastern Ontario and on obtaining its licence from Health Canada, it has not generated any operating revenue and has relied exclusively on equity financings. The Company is currently dependent upon additional equity and/or debt financing to fund its ongoing operations until it can achieve profitable operations.

OFF-BALANCE SHEET ARRANGEMENTS

As at October 31, 2019 and as of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As outlined in the Business Overview section of this MD&A, the Company has entered into a definitive arrangement agreement pursuant to which all of the issued and outstanding securities of Molecule will be acquired by Everton Resources Inc., which will result in the shareholders of Molecule holding the majority of outstanding shares of Everton upon closing of the proposed transaction.

As at the date of this MD&A, other than the arrangement agreement with Everton, there are no proposed asset or business acquisitions or dispositions.

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Related parties include the Board of Directors and key management personnel, as well as close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

Remuneration of directors and key management personnel of the Company was as follows:

	For the year ended October 31, 2019	From the date of incorporation (September 28, 2018) to October 31, 2018
	$	$
Salaries	**40,000**	-
Consulting fees	**85,000**	-
Stock-based compensation	**67,134**	-
	192,134	-

During the year ended October 31, 2019, consulting fees of $40,000 were paid/payable to Andre Audet, the Company's CEO, for services rendered as CEO of the Company. Mr. Audet also received $22,378 in stock-based compensation for the period.

During the year ended October 31, 2019, consulting fees of $5,000 and salary of $40,000 were paid/payable to Phil Waddington, the Company's Chief Regulatory Officer ("CRO"), for services rendered as CRO of the Company. Mr. Waddington also received $22,378 in stock- based compensation for the period.

During year ended October 31, 2019, consulting fees of $40,000 were paid/payable to Brendan Stutt, the Company's CFO, for services rendered as CFO of the Company. Mr. Stutt also received $22,378 in stock-based compensation for the period.

FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities and other current liabilities. The fair value of the Company's financial instruments approximates their carrying value due to their short-term nature.

The classification of financial instruments is as follows:

	October 31, 2019	October 31, 2018
	$	$
Financial assets		
Amortized cost		
Cash	**2,288,191**	-
Other receivables	**2,874**	-
Total financial assets	**2,291,065**	-
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	**(516,949)**	-
Other current liabilities	**-**	(61,299)
Total financial liabilities	**(516,949)**	(61,299)

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash. The Company's cash is held at reputable financial institutions with high external credit ratings. It is Management's opinion that the Company is not exposed to significant credit risk.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. There are no financial assets that are past due but not impaired for the periods presented.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. The Company's accounts payable and other liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares through equity offerings or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. There have been no changes to the Company's capital management approach during the year ended October 31, 2019.

CHANGE IN ACCOUNTING POLICIES

The Company has not had any changes in accounting policies, other than the adoption of new mandatory standards under IFRS as well as amendments to existing standards, for the year ended October 31, 2019.

INHERENT RISK FACTORS

You should carefully consider the following risks and uncertainties in addition to other information in this MD&A in evaluating Molecule and its business before making any investment decision. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that it currently deems immaterial, may also impair its operations. If any such risks actually occur, the business, financial condition, liquidity and results of the Company's operations could be materially adversely affected. The risk factors described below should be carefully considered by readers, including investors considering a purchase of securities of the Company.

An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment.

The Company's business requires compliance with regulatory or agency proceedings, investigations and audits

The Company's business requires compliance with many laws and regulations, specifically Canadian cannabis laws that are still in the early stages and subject to unexpected changes. Failure to comply with these laws and regulations could subject the Company or the businesses in which it invests to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm

its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operation.

Licensing requirements for cannabis companies in Canada

The market for cannabis and cannabis derivative products in Canada is regulated by the *Cannabis Act* and *Cannabis Regulations*. Health Canada is the primary regulator of the cannabis industry as a whole. There is no guarantee that the Company will obtain all the necessary licences or approvals required for its business. In addition, failure to comply with the requirements of any licence or any failure to maintain such licence would have a material adverse impact on the business, financial condition and operating results of the Company.

There is no assurance that the Company will turn a profit or generate immediate revenues

The Company has no history of earnings or cash flow from operations and the Company may not generate material revenue or achieve self-sustaining operations for several years, if at all. There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company anticipates that it will incur substantial expenses relating to the development and initial operations of its investments and business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of investments, operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Requirements for Further Financing and Dilution

The Company may not have sufficient financial resources to undertake all of the activities as currently planned. The Company may need to obtain further financing, whether through debt financing, equity financing or other means. To obtain such funds the Company may sell additional securities, the effect of which could result in substantial dilution of the equity interests of the holders of the Company Shares. There can be no assurance that Company will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders or that the terms of such financing will be favourable. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations.

The Company has a limited operating history

The Company will not have a record of achievement to be relied upon. The Company's operations are subject to all the risks inherent in the establishment of a new business enterprise, including a lack of operating history. The Company cannot be certain that its investment strategy or development of the Company's business will be successful. The likelihood of the Company's success must be assessed in consideration of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Company fails to address any of those risks or difficulties adequately, the business will likely suffer.

The Company may be vulnerable to unfavorable publicity or consumer perception

Cannabis and cannabis derivatives industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse

effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use cannabis industry.

The cannabis industry is subject to increasing competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Company. Because of the early stage of the industry in which the Company will operate, the Company will face additional competition from new entrants. If the number of users of marijuana products in Canada increases, the demand for products will increase and competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products and pricing strategies. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, financial condition or prospects.

Ongoing Costs and Obligations

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Product Liability

Upon becoming a producer or distributor of products designed to facilitate cannabis ingestion by humans, the Company would face an inherent risk of exposure to product liability claims, regulatory action and litigation if such products are alleged to have caused significant loss or injury. In addition, tampering by unauthorized third parties or product contamination with respect to the cannabis used in such products may impact the risk of injury to consumers. Previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. As a supplier and/or producer and/or distributor and/or retailer of products designed to facilitate the consumption of cannabis, the Company may be subject to various product liability claims, including, among others, that the cannabis product caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Company. There can be no assurances that the Company will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such

insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Company.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls can cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales. In addition, a product recall may require significant management attention. Although the Company will have detailed procedures in place for testing its products or require that third parties do the same where applicable, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's brands were subject to recall, the image of that brand and the Company could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Approvals

The Company may require advance approval of its products from authorities in the applicable jurisdiction. While the Company intends to follow the guidelines and regulations of each applicable local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of the Company's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Product Exchanges, Returns and Warranty Claims

If the Company is unable to maintain or cause the maintenance of an acceptable degree of quality control of products it produces or distributes, the Company may incur costs associated with the exchange and return of the products as well as servicing its customers for warranty claims. Any of the foregoing on a significant scale may have a material adverse effect on the Company's business, results of operations and financial condition.

Results of Future Clinical Research

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, dosing and/or social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although the proposed management of the Company believe that the articles, reports and studies support their respective beliefs regarding the medical benefits, viability, safety, efficacy, dosing and/or social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, holders or prospective purchasers of the Company Shares should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for the Company's products with the potential to lead to a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Reliance on Key Inputs

The business of the Company would be dependent on a number of key inputs and their related costs including raw materials and supplies related to product development and manufacturing operations. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the Company's business, financial condition, and results of operations or prospects. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, results of operations or prospects of the Company.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure plans may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the Company's business, financial condition, results of operations or prospects.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Company Shares. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Operating Risks and Insurance

The Company's operations will be subject to hazards inherent in the cannabis industry, such as equipment defects, malfunction and failures, natural disasters which result in fires, accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment, labour disputes, and changes in the regulatory environment. These risks could expose the Company to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents would affect operating costs, insurability and relationships with customers, employees and regulators.

The Company will continuously monitor its operations for quality control and safety. However, there are no assurances that the Company's safety procedures will always prevent such damages. Although the Company will maintain insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits then maintained by the Company, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Company, the Company's ability to conduct normal business operations and on the Company's business, financial condition, results of operations and cash flows in the future.

Dilution

The Company may enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive to the other shareholders and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Company Shares.

Changes in Laws, Regulations and Guidelines

The Company's operations will be subject to various laws, regulations, guidelines and licensing requirements. While the Company is expected to be in compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

Constraints on Marketing Products

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in Canada limits companies' abilities to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and results of operations could be adversely affected.

CRITICAL ACCOUNTING ESTIMATES

See Note 2 to the Company's consolidated financial statements for the year ended October 31, 2019.

NEW ACCOUNTING POLICIES ISSUED BUT NOT YET EFFECTIVE

See Note 2 to the Company's consolidated financial statements for the year ended October 31, 2019.

OUTSTANDING SHARE DATA

Common shares and convertible securities outstanding at March 4, 2020, consist of:

Security	Expiry date	Range of exercise price	Securities outstanding
		$	#
Common shares	-	-	74,100,100
Stock options	July 12, 2024	0.10	2,500,000

Schedule "C"

Pro Formas of the Resulting Issuer

MOLECULE HOLDINGS INC.

Unaudited Pro Forma Consolidated Financial Statements

October 31, 2019

(Expressed in Canadian Dollars)

Molecule Holdings Inc.
Pro Forma Consolidated Statement of Financial Position (Unaudited)
(in Canadian dollars)

As at October 31, 2019

	Molecule Inc.	Everton Resources Inc.	Pro Forma Adjustments	Notes	Pro Forma Consolidated
	$	$	$		$
ASSETS					
Current assets					
Cash	2,288,191	4,775	(200,000)	4(d)	4,092,966
			2,000,000	4(e)	
Sales taxes receivable	305,610	9,108	-		314,718
Other receivables	2,874	-	-		2,874
Prepaid expenses	76,675	-	-		76,675
	2,673,350	13,883	1,800,000		4,487,233
Long-term investment	-	964,250	-		964,250
Deposit	307,079	-	-		307,079
Capital assets	2,070,099	-	-		2,070,099
Mineral exploration properties	-	1	(1)	4(b)	-
Total assets	5,050,528	978,134	1,799,999		7,828,661
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	516,949	280,767	(150,400)	4(c)	647,316
Current portion of lease liability	36,730	-	-		36,730
Loan payable	-	192,700	(92,700)	4(c)	100,000
	553,679	473,467	(243,100)		784,046
Lease liability	178,649	-	-		178,649
Total liabilities	732,328	473,467	(243,100)		962,695
SHAREHOLDERS' EQUITY					
Share capital	5,251,972	42,152,701	2,374,929	4(a)	9,570,001
			(42,152,701)	4(b)	
			243,100	4(c)	
			1,700,000	4(e)	
Warrants	-	358,669	58,814	4(a)	358,814
			(358,669)	4(b)	
			300,000	4(e)	
Contributed surplus	157,475	10,497,485	16,071	4(a)	173,546
			(10,497,485)	4(b)	
Deficit	(1,091,247)	(52,504,188)	(1,945,148)	4(b)	(3,236,395)
			52,504,188	4(b)	
			(200,000)	4(d)	
Total equity	4,318,200	504,667	2,043,099		6,865,966
Total liabilities and equity	5,050,528	978,134	1,799,999		7,828,661

The accompanying notes are an integral part of the pro forma consolidated financial statements

Molecule Holdings Inc.

Pro Forma Consolidated Statement of Loss and Comprehensive Loss (Unaudited)

(in Canadian dollars)

For the year ended October 31, 2019

	Molecule Inc.	Everton Resources Inc.	Pro Forma Adjustments	Notes	Pro Forma Consolidated
	$	$	$		$
Expenses					
Management and consulting fees	402,285	143,900	-		546,185
Salaries and benefits	209,243	3,950	-		213,193
Professional fees	229,059	67,188	200,000	4(d)	496,247
Office	71,060	70,232	-		141,292
Depreciation of capital assets	27,986	-	-		27,986
Interest on lease liability	15,514	-	-		15,514
Stock-based compensation	157,475	-	-		157,475
Loss before other items	(1,112,622)	(285,270)	(200,000)		(1,597,892)
Other income					
Interest income	21,375	44	-		21,419
Unrealized gain on financial assets at fair value through profit and loss	-	228,750	-		228,750
Writedown of mineral exploration properties and exploration and evaluation assets	-	(3,245,518)	-		(3,245,518)
Gain on sale of mineral exploration properties	-	279,876	-		279,876
Gain on sale of investments	-	26,765	-		26,765
Forgiveness of debt to management	-	75,000	-		75,000
Listing expense	-	-	(1,945,148)	4(b)	(1,945,148)
Net loss and total comprehensive loss	(1,091,247)	(2,920,353)	(2,145,148)		(6,156,748)
Basic and diluted loss per common share	-	-	-		(0.13)
Basic and diluted weighted average number of common shares outstanding	-	-	-		46,563,342

The accompanying notes are an integral part of the pro forma consolidated financial statements

1. BASIS OF PRESENTATION

The unaudited pro forma consolidated financial statements of Molecule Holdings Inc. (“Molecule Holdings” or the “Company”) have been prepared by management after giving effect to the transaction contemplated by a definitive arrangement agreement signed between Molecule Inc. (“Molecule”) and Everton Resources Inc. (“Everton”), dated November 27, 2019, pursuant to which Everton will acquire (the “Proposed Transaction”) all of the issued and outstanding securities of Molecule, by way of plan of arrangement (the “Plan of Arrangement”), which will result in the shareholders of Molecule holding the majority of outstanding shares of Everton upon closing of the Proposed Transaction (the "Resulting Issuer").

The pro forma consolidated financial statements are comprised of:

(a) A pro forma consolidated statement of financial position, consolidating the audited statements of financial position of Molecule Inc. and Everton Resources Inc. at October 31, 2019
(b) A pro forma consolidated statement of loss and comprehensive loss, consolidating the audited statements of loss and comprehensive loss of Molecule Inc. and Everton Resources Inc. for the year ended October 31, 2019.
(c) Pro forma adjustments as set out in Note 4.

Currently, Molecule is a private Ontario corporation in the late stages of the application review process to obtain a Cannabis Processing License under the Cannabis Act and Regulations. Everton is a public company listed on the TSX Venture Exchange. Prior to the closing, it is expected that Everton will change its corporate name to “Molecule Holdings Inc” or such other name as may be determined by the board of directors.

The accounting policies used in preparing the pro forma consolidated financial statements are set out in Molecule’s audited consolidated financial statements for the year ended October 31, 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). In preparing the pro forma statement of financial position, a review of publicly available information was undertaken to identify accounting policy differences between Everton and Molecule. While management believes that the significant accounting policies of Everton and Molecule are consistent in all material respects, accounting policy differences may be identified upon completion of the proposed transaction.

The pro forma consolidated financial statements are not necessarily indicative of the financial position or results of operations that would have been achieved had the Proposed Transaction described in Note 2 and other pro forma adjustments occurred as assumed. Further, the pro forma consolidated financial statements are not necessarily indicative of the consolidated financial position or results of operations that may be attained in the future. The pro forma consolidated financial statements should be read in conjunction with: (i) the description of the Proposed Transaction in the Management Information Circular and (ii) the historical financial statements, together with the notes thereto, of Everton and Molecule referred to above.

2. PROPOSED TRANSACTION

The unaudited pro forma consolidated statement of financial position gives effect to the Proposed Transaction, as if completed on October 31, 2019, and the unaudited pro forma consolidated statement of loss and comprehensive loss gives effect to the Proposed Transaction, as if completed on November 1, 2018, including all conditions, as follows.

Plan of Arrangement

Everton will acquire all of the issued and outstanding securities of Molecule, by way of plan of arrangement (the "Plan of Arrangement"), which will result in the shareholders of Molecule holding the majority of the outstanding shares of Everton upon closing of the Proposed Transaction (the "Resulting Issuer"). One Everton share will be issued for each common share of Molecule issued and outstanding immediately prior to the completion of the Proposed Transaction. All of Molecule's outstanding warrants and stock options will be exchanged for an equivalent number of warrants and stock options, respectively, in Molecule Holdings Inc.

Legally, Everton will be the parent of Molecule, however, since shareholders of Molecule will hold and control the majority of the outstanding shares of the resulting issuer, Molecule is deemed to be the accounting acquirer.

The following are conditions of the Proposed Transaction:

(1) Everton will effect a consolidation (the "Consolidation") of its issued and outstanding common shares on the basis of one new common share (each a "Everton Share") for every ten (10) common shares of Everton issued and outstanding on the effective date of the Consolidation.

(2) Molecule intends to complete a private placement offering ("Private Placement") of units (the "Molecule Units"), for a minimum of $2 million and a maximum of $10 million, by issuing a minimum of 6,666,666 Molecule Units and a maximum of 33,333,333 Molecule Units at a price of $0.30 per Molecule Unit, with each Molecule Unit consisting of one common share of Molecule and one-half of one share purchase warrant. Each whole purchase warrant entitles the holder thereof to acquire one additional common share of Molecule at a price of $0.50 for a period of twenty-four months following the later of the closing of the Private Placement and the date upon which the common shares of the Company are listed for trading on a recognized stock exchange in North America. The terms of the Private Placement are subject to change.

(3) Creditors of Everton will convert $243,100 of indebtedness into an aggregate of 810,333 Everton Shares at a deemed issue price of $0.30 per share.

(in Canadian dollars)

3. PRELIMINARY ALLOCATION

The acquisition of Everton has been accounted for as an asset acquisition, as the assets acquired and liabilities assumed do not constitute a business, as defined in IFRS 3, Business Combinations. The total consideration has been allocated, on a preliminary pro forma basis, to the fair value of the net assets acquired and liabilities assumed, as at October 31, 2019, the date of the pro forma consolidated statement of financial position. The allocation is based on management's best estimates, taking into account all available information at the time of preparation. The allocation will be finalized once management has gathered and reviewed all relevant information. The final allocation may differ from the preliminary estimates and the difference could be material.

CONSIDERATION PAID	**Estimated fair value**
	$
9,313,447 common shares	2,374,929
1,626,750 warrants	58,814
330,000 stock options	16,071
	2,449,814

ALLOCATION	
	$
ASSETS	
Cash	4,775
Sales taxes receivable	9,108
Long-term investment	964,250
Total identifiable assets acquired	978,133
LIABILITIES	
Accounts payable and accrued liabilities	(280,767)
Loan payable	(192,700)
Total liabilities assumed	(473,467)
Net assets acquired	504,666

The Company will recognize a listing expense in connection with the acquisition of Everton. The measurement of a listing expense as part of the acquisition of a public company is equal to the consideration paid by the Company less the net assets acquired in the transaction. Based on the preliminary allocation, the Company will recognize a listing expense in the amount of $1,945,148.

4. PRO FORMA ADJUSTMENTS

The unaudited pro forma consolidated financial statements include the following adjustments:

(a) The issuance of 9,313,447 common shares to former shareholders of Everton, valued at $2,374,929, based on the value allocated to the common shares of Molecule in the Private Placement (Note 4(e)), the issuance of 1,626,750 warrants to former warrant holders of Everton, valued at $58,814, based on the Black-Scholes option pricing model, and the issuance of 330,000 stock options to former stock option holders of Everton, valued at $16,071, based on the Black-Scholes option pricing model, to reflect the acquisition of Everton. The preliminary purchase price is as detailed in Note 3. The excess of the purchase price over the fair value of the net assets acquired, $1,945,148, has been recognized as a listing expense. The value of the 1,626,750 warrants, of $58,814, was based on the Black-Scholes option pricing model using the following assumptions: stock price of $0.255, weighted-average exercise price of $0.70, risk-free interest rate of 2.00%, weighted-average expected life of warrants of 1.08 years, annualized volatility of 100% and dividend rate of 0%. The value of the 330,000 stock options, of $16,071, was based on the Black-Scholes option pricing model using the following assumptions: stock price of $0.255, weighted-average exercise price of $1.07, risk-free interest rate of 2.00%, weighted-average expected life of stock options of 1.74 years, annualized volatility of 100% and dividend rate of 0%. The underlying expected stock price volatility is based on historical data of similar companies, as the Company has limited historical data itself on which it could be based. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time with an expiry commensurate with the expected life of the warrants or stock options.

(b) The consolidation of Everton's net assets acquired, as detailed in Note 3.

(c) The issuance of 810,333 common shares to creditors of Everton in settlement of $243,100 of indebtedness ($150,400 included in accounts payable and accrued liabilities and $92,700 included in loan payable).

(d) As part of the above transaction, the Company anticipates incurring approximately $200,000 in additional professional fees and other transaction costs, including but not limited to legal fees and audit fees.

(e) Gross proceeds of $2,000,000 from the issuance of 6,666,666 units at a price of $0.30 per unit, further to the completion of a private placement. This assumes the minimum financing. The proceeds of the financing were allocated between share capital ($1,700,000 or $0.255 per common share) and warrants ($300,000 or $0.045 per warrant), based on the proportional method and using the Black-Scholes option pricing model, using the following assumptions for the warrants: stock price of $0.255, risk-free interest rate of 2.00%, expected life of warrants of 2 years, annualized volatility of 100% and dividend rate of 0%.

(in Canadian dollars)

5. SHARE CAPITAL

Upon completion of the proposed transactions, the Company's pro forma share capital will be as follows:

Unlimited number of common shares, voting, participating and without par value

Issued and fully paid

Common shares

	Number of shares	$
Balance, October 31, 2019	72,800,100	5,251,972
Shares issued to acquire Everton Resources Inc.	9,313,447	2,374,929
Shares issued in settlement of indebtedness	810,333	243,100
Shares issued for cash (assumes minimum financing)	6,666,666	1,700,000
Pro forma balance, October 31, 2019	89,590,546	9,570,001

6. INCOME TAXES

The effective pro forma income tax rate is approximately 0%.

Schedule "D"

Audit Committee Charter

AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *Multilateral Instrument 52-110 Audit Committees* ("**MI 52-110**").

1. MANDATE AND OBJECTIVES

The mandate of the audit committee of the Corporation (the "**Committee**") is to assist the board of directors of the Corporation (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

(i) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;

(ii) ensure the independence of the Corporation's external auditors; and

(iii) provide better communication among the Corporation's auditors, the management and the Board.

2. COMPOSITION

The Committee shall be comprised of at least three (3) directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of MI 52-110.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders' meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

3. MEETINGS AND PROCEDURES

3.1 The Committee shall meet at least four (4) times a year or more frequently if required.

3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.

3.3 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

4.1 Financial Statements and Disclosure Matters

a) review the Corporation's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;

b) must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection a) above and must periodically assess the adequacy of those procedures.

4.2 External Auditors

a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;

b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;

c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;

d) consult with the external auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;

e) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;

f) review the audit plan for the year-end financial statements and intended template for such statements;

g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:

   i) the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;

   ii) such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and

   iii) such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audit services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

4.3 Financial Reporting Processes

a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;

b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;

c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;

d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;

e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

f) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

Schedule "E"

Preferred Share Rights

New Class of Preferred Shares

The Preferred Shares will be a separate and distinct class of securities and will be issuable in one class, whereby the authorized number of Preferred Shares will be fixed in the amount of 9,313,447 Preferred Shares – based off the aggregate number of Everton Shares (on a post-Consolidation basis) held by the Everton Shareholders as of February 7, 2020. A summary of the terms of the Preferred Shares is provided below.

Rights of the Preferred Shares

Each Preferred Share provides its holder with the right thereof to receive, on a pro rata basis, an economic benefit (the "**Economic Benefit**"), subject to an aggregate maximum of up to $500,000, in the event that any of the mining royalties of Everton are triggered and generate revenue within a maximum period of five (5) years from the date of the issuance of the Preferred Shares. If the Economic Benefit is triggered, the Preferred Shares would be redeemable, on a pro rata basis, for cash. The Preferred Shares otherwise have no rights or recourses.

The Preferred Shares shall have no rights (other than to receive the Economic Benefit): to receive dividends declared by the Resulting Issuer Board, to the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding–up of the Resulting Issuer, whether voluntary or involuntary, or the right to vote at any meetings of shareholders of the Resulting Issuer.

Parity Among Preferred Shares

Each of the Preferred Shares shall rank on parity with each other, with respect to the redemption and the payment of the Economic Benefit on a pro rata basis.

Conversion

The Preferred Shares shall not be convertible into any other class of Resulting Issuer Shares.

Redemption

The Preferred Shares will be redeemable by the Resulting Issuer in connection with the distribution of the Economic Benefit for a cash payment on pro rata basis, and on such other terms as the Resulting Issuer Board may reasonably determine at such time.

Voting

Holders of the Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of the Preferred Shares thereof) to receive notice of, attend at, or vote at any meeting of the shareholders of the Resulting Issuer, unless the Resulting Issuer Board determines otherwise. Any terms in respect of such voting rights for the holders of the Preferred Shares, will be determined by the Resulting Issuer Board prior to the scheduled vote.

The holders of the Preferred Shares may not have an express right to participate in a take–over bid made for the Resulting Issuer Shares.

Expiry

The right to receive the Economic Benefit shall expire after a period of five (5) years from the date of the issuance of the Preferred Shares.

Schedule "F"

Plan of Arrangement

PLAN OF ARRANGEMENT

TO THE ARRANGEMENT AGREEMENT MADE AS OF NOVEMBER 27, 2019, BETWEEN MOLECULE INC. and EVERTON RESOURCES INC.

ARTICLE 1 - INTERPRETATION

Definitions

1.1 In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith:

(a) "**Arrangement**" means the arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations to this Plan of Arrangement made in accordance with Section 6.1 of the Arrangement Agreement or Article 6 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of Everton and Molecule, each acting reasonably;

(b) "**Arrangement Agreement**" means the arrangement agreement made as of November 27, 2019 among Molecule and Everton, including the schedules thereto, as the same may be supplemented or amended from time to time in accordance with its terms;

(c) "**Business Day**" means any day other than a Saturday or Sunday or statutory holiday in the province of Ontario, upon which banks generally are open for business in the cities of Toronto, Ontario;

(d) "**Consolidation**" has the meaning as set out in the Arrangement Agreement;

(e) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

(f) "**Director**" means the Director appointed pursuant to Section 278 of the OBCA;

(g) "**Effective Date**" means the date upon which the Arrangement becomes effective as established by the date of issue shown on the certificate giving effect to the Arrangement as issued by the Director pursuant to Section 183(2) of the OBCA;

(h) "**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as agreed upon by Molecule and Everton;

(i) "**Everton**" means Everton Resources Inc., a corporation incorporated under the laws of Canada;

(j) "**Everton Share Option Plan**" means the share option plan of Everton to be presented for approval by Everton Shareholders at the annual general and special meeting of Everton Shareholders;

(k) "**Everton Shareholders**" means the holders of Everton Shares;

(l) "**Everton Shares**" means the common shares in the capital of Everton prior to giving effect to the Consolidation;

(m) "**Exchange**" means the Canadian Securities Exchange;

(n) "**Exchange Ratio**" means the ratio of one-for-one, in the manner that each Molecule Share will be exchanged for one Post-Consolidation Resulting Issuer Share;

(o) "**Final Order**" means the final order of the Court approving the Arrangement, in a form acceptable to Molecule and Everton, each acting reasonably, granted pursuant to Section 182(5)(f) of the OBCA, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Molecule and Everton, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both Molecule and Everton, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

(p) "**Interim Order**" means the interim order of the Court to be issued following the application therefor contemplated by Section 2.5 of the Arrangement Agreement, after being informed of the intention to rely upon the exemption from registration under Section 3(a)(10) Exemption with respect to the Post-Consolidation Resulting Issuer Shares, Resulting Issuer Options, and Resulting Issuer Warrants issued pursuant to the Arrangement, in form acceptable to Molecule and Everton, each acting reasonably, providing for, among other things, the calling and holding of the Molecule Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both Molecule and Everton, each acting reasonably;

(q) "**Molecule**" means the corporation incorporated under the laws of the Province of Ontario, currently named Molecule Inc.;

(r) "**Molecule Dissent Rights**" has the meaning ascribed to it in Section 4.1 hereof;

(s) "**Molecule Dissenting Shareholder**" means a registered Molecule Shareholder as of the record date of the Molecule Meeting who has properly exercised its Molecule Dissent Rights and has not withdrawn or been deemed to have withdrawn such Molecule Dissent Rights, but only in respect of Molecule Shares in respect of which Molecule Dissent Rights are properly exercised by such Molecule Shareholder;

(t) "**Molecule Meeting**" means the special meeting of Molecule Shareholders to be held to consider and, if thought fit, to approve the Arrangement, together with such other matters as are required to effect the Arrangement;

(u) "**Molecule Options**" means all outstanding incentive stock options exercisable to acquire Molecule Shares;

(v) "**Molecule Shareholders**" means the holders of the Molecule Shares;

(w) "**Molecule Shares**" means the common shares in the capital of Molecule;

(x) "**Molecule Units**" means the units to be issued by Molecule pursuant to the Private Placement, each Molecule Unit consisting of one Molecule Share and a minimum of one-half of one Molecule Warrant, with final terms to be determined by the parties in the context of the market;

(y) "**Molecule Warrants**" means share purchase warrants entitling the holder thereof to acquire one Molecule Share that may be granted as part of the Molecule Units issued under the Private Placement;

(z) "**OBCA**" means the *Business Corporations Act*, R.S.O. 1990, c. B. 16, as now enacted and as amended and the regulations thereto;

(aa) "**Person**" will be broadly interpreted and includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative;

(bb) "**Plan of Arrangement**" means this plan of arrangement, including any appendices hereto, and any amendments or variations hereto made in accordance with Section 6.1 of the Arrangement Agreement and the terms hereof or made at the direction of the Court in the Final Order, with the consent of Molecule and Everton, each acting reasonably;

(cc) "**Post-Consolidation Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer after giving effect to the Consolidation;

(dd) "**Private Placement**" means the private placement of a minimum of $2 million and a maximum of $10 million of Molecule Units to be completed by Molecule concurrently with or prior to the Effective Date, or such higher maximum as Molecule may determine in its sole reasonable discretion. The issue price will be greater than or equal to $0.30, which may be waived by Everton in whole or in part, depending on market conditions and subject to the approval of the Exchange. Molecule and Everton have agreed that the closing of minimum proceeds in the amount of $2 million under the Private Placement will be a condition to the closing of the Arrangement, which may be waived by Everton;

(ee) "**Resulting Issuer**" means the resulting issuer after completion of the Arrangement (to be renamed Molecule Holdings Inc.);

(ff) "**Resulting Issuer Options**" has the meaning ascribed to it in Section 3.3(d) hereof;

(gg) "**Resulting Issuer Warrants**" has the meaning ascribed to it in Section 3.3(e) hereof;

(hh) "**Section 3(a)(10) Exemption**" has the meaning ascribed to it in the Arrangement Agreement;

(ii) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended; and

(jj) "**Tax Act**" means the *Income Tax Act* (Canada) including the regulations thereto, as amended.

Headings

1.2 The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof" and "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular Article or Section hereof and include any agreement or instrument supplemental therewith, references herein to Articles and Sections are to Articles and Sections of this Plan of Arrangement.

Number

1.3 In this Plan of Arrangement, unless something in the context is inconsistent therewith, words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa, words importing persons will include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words importing shareholders will include members.

Date for Any Action

1.4 In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day in the place where the action is required to be taken, such action will be required to be taken on the next succeeding day which is a Business Day in such place.

ARTICLE 2 - GOVERNING AGREEMENT

Arrangement Agreement

2.1 This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of the Arrangement Agreement.

ARTICLE 3 - ARRANGEMENT

Binding Effect

3.1 This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time, without any further authorization, act or formality on the part of the Court, and will be binding upon on (i) Molecule, (ii) Everton, (iv) the Molecule Shareholders, including the Molecule Dissenting Shareholders, (v) the holders of Molecule Warrants, (vi) the holders of

Molecule Options, and (vii) all other persons, without any further act or formality required on the part of any other Person except as expressly provided herein.

3.2 Other than as expressly provided for herein, no portion of this Plan of Arrangement will take effect with respect to any Person until the Effective Time.

Arrangement

3.3 Commencing at the Effective Time, the following events or transactions will occur and be deemed to occur sequentially in five (5) minute intervals (unless otherwise provided) without any further act or formality required on the part of any Person, except as expressly provided herein:

(a) each Molecule Share held by Molecule Shareholders who have exercised Molecule Dissent Rights (provided the right of such Molecule Shareholder to dissent with respect to such Molecule Shares has not been terminated or ceased to apply to such Molecule Shareholder) will be deemed to have been transferred by such Molecule Dissenting Shareholder to Molecule without any further act or formality on the part of such Molecule Dissenting Shareholders, free and clear of all liens, claims and encumbrances, and each Molecule Dissenting Shareholder will cease to have any rights as a Molecule Shareholder other than the right to be paid the fair value of its Molecule Shares in accordance with Article 4;

(b) at the time of the step contemplated in Section 3.3(a), with respect to the Molecule Shares transferred pursuant to Section 3.3(a):

(i) the Molecule Dissenting Shareholders will cease to be the registered holder of such Molecule Shares;

(ii) the name of each Molecule Dissenting Shareholder will be removed from the central securities register of Molecule with respect to such Molecule Shares;

(iii) legal and beneficial title to such Molecule Shares will be transferred to Molecule and Molecule will cancel such Molecule Shares;

(iv) the certificates representing such Molecule Shares will be deemed to have been cancelled; and

(v) the Molecule Dissenting Shareholders will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer;

(c) immediately thereafter:

(i) each issued and outstanding Molecule Share (other than the Molecule Shares in respect of which a Molecule Dissenting Shareholder has validly exercised its Molecule Dissent Rights) will be transferred to, and acquired by the Resulting Issuer, without any act or formality on the part of such Molecule Shareholder or the

Resulting Issuer, free and clear of all liens, in exchange for such number of Post-Consolidation Resulting Issuer Shares equal to the Exchange Ratio, provided that the aggregate number of Post-Consolidation Resulting Issuer Shares payable to any Molecule Shareholder prior to the Effective Time, if calculated to include a fraction of a Post-Consolidation Resulting Issuer Share, will be rounded down to the nearest whole Resulting Issuer Share, with no consideration being paid for the fractional share,

(ii) the name of each such Molecule Shareholder will be removed from the register of holders of Molecule Shares and added to the register of holders of Resulting Issuer Shares, and the Resulting Issuer will be recorded as the registered holder of such Molecule Shares so exchanged and will be deemed to be the legal and beneficial owner thereof,

(iii) all such Molecule Shares will be cancelled and, in consideration therefor, Molecule will issue one common share to the Resulting Issuer;

(d) each Molecule Option that is outstanding and has not been duly exercised prior to the Effective Time will be exchanged and, in consideration therefor, will be deemed exercisable for Post-Consolidation Resulting Issuer Shares (that will be governed by the terms of the Everton Share Option Plan) (each a "**Resulting Issuer Option**"), such that: (i) on exercise of each Resulting Issuer Option, the holder will be entitled to acquire, and will accept in lieu of the number of Molecule Shares to which such holder was entitled immediately before the Effective Date, the number of Post-Consolidation Resulting Issuer Shares equal to the number of Molecule Shares subject to the Molecule Option immediately before the Effective Date, and (ii) each such Resulting Issuer Option will have an exercise price per Post-Consolidation Resulting Issuer Share equal to the exercise price per Molecule Share subject to such Molecule Option immediately before the Effective Date. Except as provided in this Section 3.3(d), all other terms and conditions of the Molecule Option in effect immediately prior to the Effective Date will govern the Resulting Issuer Option for which the Molecule Option is so exchanged;

(e) each Molecule Warrant that is outstanding and has not been duly exercised prior to the Effective Time will be exchanged and, in consideration therefor, will be deemed exercisable for Post-Consolidation Resulting Issuer Shares (each a "**Resulting Issuer Warrant**"), such that: (i) on exercise of each Resulting Issuer Warrant, the holder will be entitled to acquire, and will accept in lieu of the number of Molecule Shares to which such holder was entitled immediately before the Effective Date, the number of Post-Consolidation Resulting Issuer Shares equal to the number of Molecule Shares subject to the Molecule Warrant immediately before the Effective Date, and (ii) each such Resulting Issuer Warrant will have an exercise price per Post-Consolidation Resulting Issuer Share equal to the exercise price per Molecule Share subject to such Molecule Warrant immediately before the Effective Date. Except as provided in this Section 3.3(e), all other terms and conditions of the Molecule Warrant in effect immediately prior to the Effective Date will govern the Resulting Issuer Warrant for which the Molecule Warrant is so exchanged; and

(f) provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

Adjustments to Exchange Ratio

3.4 The Exchange Ratio will be adjusted to reflect fully the effect of any stock split, share consolidation, stock dividend (including any dividend or distribution of securities convertible into Molecule Shares or Everton Shares), reorganization, recapitalization or other like change with respect to Molecule Shares or Everton Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time, provided that the Consolidation has already been built into the determination of the Exchange Ratio.

Transfers Free and Clear

3.5 Any transfer of any securities pursuant to the Arrangement will be free and clear of any hypothecs, liens, claims, encumbrances, charges, adverse interests or security interests.

Registration Requirement Exemptions

3.6 (a) Molecule and Everton each agree that this Plan of Arrangement will be carried out with the intention that, except as provided in section 3.6(b), all Post-Consolidation Resulting Issuer Shares, Resulting Issuer Options, and Resulting Issuer Warrants issued on completion of this Plan of Arrangement to former securityholders of Molecule will be issued in reliance on the exemption from registration requirements of the Section 3(a)(10) Exemption thereof.

(b) The Molecule Units issuable pursuant to the Private Placement, and the underlying Molecule Shares and Molecule Warrants, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. The exchange of Molecule Shares held by any U.S. Private Placement investors for Resulting Issuer Shares, and the exchange of Molecule Warrants held by such investors for Resulting Issuer Warrants, in each case under the Arrangement, will not be effected in reliance the Section 3(a)(10) Exemption, but rather in reliance on certain other exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Resulting Issuer Shares and Resulting Issuer Warrants will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act), and any certificates or other instruments representing such securities will be endorsed with a legend restricting their transfer except pursuant to registration under the U.S. Securities Act absent an exemption from such registration requirements.

ARTICLE 4- RIGHTS OF DISSENT

Rights of Dissent

4.1 (a) Molecule Shareholders are entitled to exercise rights of dissent in connection with the Arrangement with respect to their Molecule Shares under Section 185 of the OBCA as modified by the Interim Order, the Final Order and this Section 4.1 (the "**Molecule Dissent Rights**"); provided that, notwithstanding Subsection 185(6) of the OBCA, the written objection to the Arrangement referred to in Subsection 185(6) of the OBCA must be received by Molecule not later than 5:00 p.m. (Toronto time) on the Business Day immediately preceding the date of the Molecule Meeting or by 5:00 p.m. (Toronto time) on the Business Day prior to the date on which on which any adjournment of the Molecule Meeting is held;

(b) Molecule Shares held by Molecule Dissenting Shareholders who are ultimately entitled to be paid fair value for their Molecule Shares will be and will be deemed to have been sold to the Resulting Issuer and such Molecule Dissenting Shareholders will cease to have any rights as former Molecule Shareholders other than their right to be paid fair value for their Molecule Shares by the Resulting Issuer;

(c) Molecule Shareholders who exercise, or purport to exercise, Molecule Dissent Rights, and who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Molecule Shares will be deemed to have participated in the Arrangement on the same basis as any non-Molecule Dissenting Shareholders as at and from the Effective Date and will receive, and be entitled to receive, only the consideration for each Molecule Share on the basis set forth in Section 3.3.

Shareholders Eligible to Dissent

4.2 In no circumstances will Molecule or any other Person be required to recognize a Person exercising Molecule Dissent Rights unless such Person is a registered Molecule Shareholder who is entitled to vote at the Molecule Meeting with respect to the resolution of which such Molecule Dissent Rights are sought to be exercised.

Recognition of Dissenting Shareholders

4.3 Neither Molecule nor any other Person will be required to recognize a Molecule Dissenting Shareholder as a registered or beneficial owner of Molecule Shares at or after the Effective Date, and on the Effective Date the names of such Molecule Dissenting Shareholders will be removed from the central securities register of Molecule with respect to such Molecule Shares.

Dissent Right Availability

4.4 A registered Molecule Shareholder is not entitled to exercise Molecule Dissent Rights with respect to Molecule Shares if such registered Molecule Shareholder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the resolution approving the Arrangement.

ARTICLE 5 - CERTIFICATES

Exchange of Share Certificates

5.1 At the Effective Time, every share certificate representing Molecule Shares will be deemed to be cancelled and will represent only the right to receive certificates or, if applicable, DRS Statements representing Post-Consolidation Resulting Issuer Shares in accordance with Section 3.3 hereof; and as soon as reasonably practicable after the Effective Date, Everton will deliver or cause to be delivered to former Molecule Shareholders the certificate(s) or DRS statements representing the number of Post-Consolidation Resulting Issuer Shares to which such former Molecule Shareholder is entitled pursuant to the Arrangement.

Molecule Shareholders

5.2 Everton will be entitled to rely on the books and records of Molecule, and, in particular, its central securities register, in preparing and mailing the share certificate(s) or DRS Statements for the Post-Consolidation Resulting Issuer Shares to which Molecule Shareholders are entitled pursuant to the Arrangement. For greater certainty, the certificate(s) or DRS Statements representing Post-Consolidation Resulting Issuer Shares forwarded to former Molecule Shareholders will be registered in such name or names and delivered to such address or addresses as it appears on the central securities register of Molecule.

Fractional Shares

5.3 No Molecule Shareholder will receive fractional Resulting Issuer Shares and no cash will be paid in lieu thereof. Any fractions resulting will be rounded down to the nearest whole number.

Withholding Rights

5.4 The Resulting Issuer, Everton, Molecule and the depositary will be entitled to deduct and withhold from all dividends or other distributions or any consideration or any other amount whatsoever otherwise payable, in cash or in kind, to any Molecule Shareholder such amounts as the Resulting Issuer, Everton, Molecule or the depositary is required, entitled or permitted to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Molecule Shareholder in respect of which such deduction and withholding was made, provided that such withheld amount are actually remitted to the appropriate taxing authority.

ARTICLE 6 - AMENDMENTS

Amendments to Plan of Arrangement

6.1 Subject to Sections 6.2, 6.4 and 6.5, Everton and Molecule reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time,

provided that each such amendment, modification or supplement must be: (i) set out in writing, (ii) agreed to in writing by Everton and Molecule, (iii) filed with the Court and, if made following the Molecule Meeting, approved by the Court, and (iv) communicated to the Molecule Shareholders if and as required by the Court.

6.2 Notwithstanding anything herein or in the Arrangement Agreement, Everton will be entitled, at any time prior to or following the Molecule Meeting, to modify this Plan of Arrangement to increase the consideration Everton is prepared to make available to Molecule Shareholders pursuant to the Arrangement whether or not the Board of Directors of Molecule has changed its recommendation, provided that Everton will use its commercially reasonable efforts to provide not less than one Business Day's prior written notice of such proposal to Molecule. Any such amendment, modification or supplement to this Plan of Arrangement will become part of this Plan of Arrangement for all purposes.

6.3 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Everton or Molecule at any time prior to the Molecule Meeting, provided that Molecule (except in the case of amendments contemplated in Section 6.2) and Everton will have consented thereto in writing, with or without any other prior notice or communication. Any such proposed amendment, modification or supplement to this Plan of Arrangement will become part of this Plan of Arrangement for all purposes.

6.4 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Molecule Meeting will be effective only if: (i) it is consented to in writing by each of Everton and Molecule (except in the case of amendments contemplated in Section 6.2), (ii) it is filed with the Court (other than amendments contemplated in Section 6.2 or 6.5, which will not require such filing), and (iii) it is communicated to and, if required by the Court, consented to by Molecule Shareholders voting in the manner directed by the Court.

6.5 Any amendment, modification or supplement to this Plan of Arrangement may also be made following the Effective Time unilaterally by the Resulting Issuer, provided that it concerns a matter which, in the reasonable opinion of the Resulting Issuer, is of an administrative nature required to better give effect to the implementation of this Resulting Issuer and is not adverse to the financial or economic interests of the Molecule Shareholders. Notwithstanding the foregoing, no amendment, modification or supplement to this Plan of Arrangement made following the Effective Date will be effective prior to the filing of the certificate of Arrangement.

ARTICLE 7 - GENERAL

Further Assurances

7.1 Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

Paramountcy

7.2 From and after the Effective Time: (a) this Plan of Arrangement will take precedence and priority over any and all rights related to Molecule Shares issued prior to the Effective Time, (b) the rights and obligations of Molecule Shareholders and any trustee and transfer agent therefore, will be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of actions, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to Molecule Shares will be deemed to have been settled, compromised, released and determined without liability except as set forth herein.