

Form 62-103F1
Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Multiple voting shares ("MVS") and subordinate voting shares ("SVS") of High Fusion Inc. (the "Issuer"), head office located at 77 King Street West, Suite 2905, Toronto, Ontario M5K 1H1.

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable.

Item 2 – Identity of the Acquiror

- 2.1 State the name and address of the acquiror.**

OutCo Labs Inc. (the "Acquiror")
8157 Wing Avenue, El Cajon, CA 92020

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

All share amounts and share prices referenced in this report are provided on a post-20 to 1 consolidation basis. Such consolidation took place on September 2, 2021.

Transaction History

On September 1, 2021 the Issuer completed a transaction pursuant to which it acquired all of assets of OutCo Labs Inc. (the "Acquisition"). In connection with the Acquisition, the Issuer issued a total of 3,367,043 special warrants, 2,033,333 Class A purchase warrants and 1,220,000 Class B purchase warrants to the Acquiror. See the Early Warning Report filed by the Acquiror dated September 16, 2021 for a description of the securities issued in connection with the Acquisition.

The Issuer amended its articles to re-designate its common shares as subordinate voting shares (referred to herein as SVS) and to create a new class of securities named multiple voting shares (referred to herein as MVS) on November 15, 2021. The 3,367,043 special warrants held by the Acquiror were automatically converted into 3,367,043 MVS on November 16, 2021.

Each MVS is convertible into ten (10) subordinate voting shares by the Acquiror or the Issuer, subject to the restrictions set out in the Issuer's articles. Each Class A warrant and each Class B warrant is convertible into one (1) SVS.

Current Report

On November 24, 2021, certain earnout targets pursuant to the Acquisition were achieved, resulting in the issuance of 2,684,318 MVS to the Acquiror, triggering the requirement to file this report in respect of the Issuer's SVS and MVS.

2.3 State the names of any joint actors.

N/A.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's security holding percentage in the class of securities.

The Acquiror acquired ownership of 2,684,318 MVS. The Acquiror's holdings of SVS increased from 40.7% to 54.3% (in each case assuming the conversion of all securities held by the Acquiror in which the underlying security is SVS). The Acquiror's holdings of MVS also increased from 92.9% to 95.9%.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See item 3.1.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the completion of the transactions described in this report, the Acquiror had ownership and control over 36,923,764 SVS (40.7%) and following the completion of the transactions, the Acquiror has ownership and control of 63,766,943 SVS, representing approximately 54.3% of the issued and outstanding SVS (in each case assuming the conversion of all securities held by the Acquiror in which the underlying security is SVS).

Prior to the completion of the transactions described in this report the Acquiror had ownership and control over 3,367,043 MVS (92.9%) and following the completion of the transactions, the Acquiror has ownership and control of 6,051,361 MVS representing approximately 95.9% of the issued and outstanding MVS.

3.5 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities referred to in Item 3.4 over which (a) the acquiror, either alone or together with any joint actors, has ownership and control, (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or

companies other than the acquiror or any joint actor, and (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

The Acquiror owns and has control over 6,051,361 MVS, 2,033,333 Class A warrants and 1,220,000 Class B warrants, representing approximately 54.3% of the current issued and outstanding SVS (assuming conversion of the convertible securities into SVS).

The Acquiror owns and has control over 6,051,361 MVS, representing approximately 95.9% of the issued and outstanding MVS.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement. State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The MSV issued in connection with the earnout pursuant to the Acquisition were issued at a deemed price of \$0.1407 per MVS from the treasury of the Issuer.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See section 4.1 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

See section 4.1 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The securities of the Issuer noted in this report are held by the Acquiror for investment purposes. The Acquiror may acquire or dispose of additional securities of the Issuer in the future depending on market prices and provided such acquisitions may be completed in accordance with applicable securities laws.

Except as described herein, while the Acquiror has no current plans or intentions that relate to or would result in the items listed in (a) through (k) above, depending on various factors including, without limitation, the Issuer's financial position, the price levels of the SVS and MVS, conditions in the securities markets and general economic and industry conditions, the Issuer's business or financial condition, and other factors and conditions the Acquiror deems appropriate, the Acquiror may acquire or dispose of additional securities in the future but has no current plans or future intentions to do so.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates,

including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete. This report must be signed by each person on whose behalf the report is filed or his or her authorized representative. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I, as an officer of the Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated this 26th day of November, 2021.

OutCo Labs Inc.

Per: (Signed) "Lincoln Fish"
Lincoln Fish
Authorized Signing Officer