

High Fusion Inc. Announces Amendment to Debentures

Toronto, Ontario--(Newsfile Corp. - August 3, 2022) - High Fusion Inc. (**CSE: FUZN**) ("**High Fusion**" or the "**Company**") is pleased to announce an extension of the term of the August 2018 senior secured debentures ("Debentures") from August 3, 2022 to February 3, 2023.

With the extension of the maturity date of the Debentures, the interest on the debentures to maturity will increase to 24% per annum. One half of the interest on the Debentures shall be added to the principal amount increasing the principal outstanding balance from \$4,205,073.25 to \$4,458,068.89. The remaining half of the interest due to maturity, representing \$252,995.64 shall be payable, prior to maturity, in subordinated voting shares of the Company at a price equal to the 20-day volume weighted average price as approved by the CSE. In the event that the CSE does not approve such issuance of such shares prior to maturity, the Company shall pay interest in cash at maturity.

"We are pleased that our senior creditor and the other debentureholders have agreed to support the Company by way of extending the maturity of the debentures," said John Durfy, CEO of High Fusion Inc. "The Company is considering strategic alternatives for its non-core assets and this 6-month extension will allow us to advance this process. To this end, we have refocused our efforts on the California market and are considering the sale of certain real estate and other non-core assets to pay down debt and allow the Company to proceed with a manageable balance sheet in the future. We continue to work collaboratively with our creditors to this end and we appreciate their continued support and confidence."

About High Fusion Inc.

High Fusion Inc. (formerly Nutritional High International Inc.) is focused on developing and manufacturing branded products in the cannabis industry with a specific focus on flower, pre-rolls, vapes, edibles and oil extracts for medical and adult recreational use. The Company operates and controls licenses in California, Colorado and Oregon.

High Fusion has manufacturing, retail and grow operations in California through its acquisition of the business of OutCo and owns and operates oil extraction and edible manufacturing facilities in Colorado and Oregon. The Company's brand portfolio includes its award winning FLI™ edibles and vape production addition to the OutCo and Thrive brands recently acquired. The Company's OutCo and Thrive brands in California are distributed through Punch Edibles.

For updates on the Company's activities and highlights of the Company's press releases and other media coverage, please visit www.high-fusion.com.

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Caution Regarding Forward-Looking Information:

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR OTC MARKETS GROUP INC., NOR THEIR REGULATIONS SERVICES PROVIDERS HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This news release may contain forward-looking statements and information based on current expectations. These statements include statements regarding: the upside to the Company from the

recent county approval for expansion and receipt of recreational licenses in November of last year; the anticipated growth of wholesale revenues resulting from the distribution agreement with Punch Edibles; the improvement in revenues and statements regarding the development of the Company's business. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to: the ability of the Company to successfully execute its business plans; legal changes relating to the cannabis and psychedelic industries proceeding as anticipated; and the Company's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date.

The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.

Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; obtaining and maintaining regulatory approvals including acquiring and renewing U.S. state, local or other licenses, the uncertainty of existing protection from U.S. federal or other prosecution, regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, market and general economic conditions of the cannabis sector or otherwise; the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and a deterioration of financial markets that could limit the Company's ability to obtain external financing.

A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking information contained in this press release is expressly qualified by this cautionary

statement. The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

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