

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

High Fusion Inc.
77 King Street West, Suite 2905
Toronto, Ontario M5K 1H1

Item 2. Date of Material Change

November 4, 2022

Item 3. News Releases

A press release in the form of Schedule A attached hereto was disseminated on November 4, 2022 via Newsfile Corp. and subsequently filed on the System for Electronic Document Analysis and Retrieval (www.sedar.com).

Item 4. Summary of Material Change

High Fusion Inc. (CSE: FUZN) ("**High Fusion**" or the "**Company**") has entered into a definitive arrangement agreement (the "**Agreement**") with Neural Therapeutics Inc. ("**Neural**") with respect to the distribution of approximately one quarter of High Fusion's shareholdings in Neural to High Fusion shareholders ("**Transaction**").

Pursuant to the Agreement, the Company will recommend to the shareholders at an upcoming shareholder meeting to distribute 4,716,667 common shares in the capital of Neural ("**Neural Shares**") to the shareholders of the Company. Subject to shareholder approval, Neural Shares will be distributed to all the holders of High Fusion subordinate voting shares ("**SVS**") and High Fusion multiple voting shares ("**MVS**") on a pro-rata basis, based on the number of votes held by each of the SVS and MVS holders. Upon completion of the above distribution, High Fusion will retain ownership of approximately 13,266,667 Neural Shares, representing approximately 34.1% of the Neural Shares issued and outstanding as of the date hereof.

Subject to shareholder approval, the Transaction will occur by way of a plan of arrangement ("**Plan of Arrangement**") under the provisions of *Canada Business Corporations Act*, whereby holders of SVS and MVS will receive an aggregate of 4,716,667 Neural Shares via a share exchange ("**Share Exchange**"). The Share Exchange ratio is subject to the High Fusion share structure as of final record date for the Transaction. The record date for the Share Exchange will be announced promptly following receipt of the requisite shareholder and regulatory approvals.

Closing of the Transaction is subject to a number of conditions, including: (i) shareholder approval; (ii) court approval of the Plan of Arrangement pursuant to the Agreement; and (iii) certain other customary conditions set out in the Agreement.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the Company's press release, which is attached as Schedule "A" and is incorporated herein.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No significant facts have been omitted from this report.

Item 8. Executive Officer

The following officer of the Company may be contacted for further information:

Robert Wilson
Chief Financial Officer
rwilson@nutritionalhigh.com

Item 9. Date of Report

This report is dated this 7th day of November, 2022.

SCHEDULE "A"



High Fusion and Its Psychedelics Subsidiary Neural Therapeutics Enter into Arrangement Agreement

Toronto, Ontario--(Newsfile Corp. - November 4, 2022) - High Fusion Inc. (CSE: FUZN) ("**High Fusion**" or the "**Company**") is pleased to announce that it has entered into a definitive arrangement agreement (the "**Agreement**") with Neural Therapeutics Inc. ("**Neural**") with respect to the distribution of approximately one quarter of High Fusion's shareholdings in Neural to High Fusion shareholders ("**Transaction**").

High Fusion CEO John Durfy commented, "*This strategic spin-out of our holdings in Neural, featuring its own leadership team, is designed to immediately unlock the value of Neural and provide a benefit to our shareholders.*"

Pursuant to the Agreement, the Company will recommend to the shareholders at an upcoming shareholder meeting to distribute 4,716,667 common shares in the capital of Neural ("**Neural Shares**") to the shareholders of the Company. Subject to shareholder approval, Neural Shares will be distributed to all the holders of High Fusion subordinate voting shares ("**SVS**") and High Fusion multiple voting shares ("**MVS**") on a pro-rata basis, based on the number of votes held by each of the SVS and MVS holders. Upon completion of the above distribution, High Fusion will retain ownership of approximately 13,266,667 Neural Shares, representing approximately 34.1% of the Neural Shares issued and outstanding as of the date hereof.

Subject to shareholder approval, the Transaction will occur by way of a plan of arrangement ("**Plan of Arrangement**") under the provisions of Canada Business Corporations Act, whereby holders of SVS and MVS will receive an aggregate of 4,716,667 Neural Shares via a share exchange ("**Share Exchange**"). The Share Exchange ratio is subject to the High Fusion share structure as of final record date for the Transaction. The record date for the Share Exchange will be announced promptly following receipt of the requisite shareholder and regulatory approvals.

Closing of the Transaction is subject to a number of conditions, including: (i) shareholder approval; (ii) court approval of the Plan of Arrangement pursuant to the Agreement; and (iii) certain other customary conditions set out in the Agreement.

Neural has not applied to list Neural Shares on any stock exchange in Canada or other jurisdictions, but it is expected that upon completion of the Transaction, Neural will become an unlisted reporting issuer pursuant to applicable securities laws. Neural intends to apply to list Neural Shares on a stock exchange following the completion of the Transaction, but such listing is subject to exchange and regulatory approval, and there is no assurance that Neural will obtain such listing.

Further information regarding the Arrangement will be provided in subsequent news releases, and in an information circular to be prepared in connection with an annual and special meeting of High Fusion

shareholders which will be filed on SEDAR. Shareholders are cautioned that final details of the Arrangement are subject to change and that there is no certainty that the Transaction will be completed as currently proposed or at all.

An investment in securities of High Fusion and Neural should be considered highly speculative and prospective investors should consult their advisors prior to making any investment decisions.

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 and Colorado.

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

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.

About Neural Therapeutics Inc.

Neural Therapeutics Inc. (formerly Psychedelic Science Corp.) is focused on ethnobotanical drug-discovery and development company. Neural is focused on developing products and conducting research on the psychoactive cacti plants with the primary objective to find where the historical use in traditional medicine has proven to be effective and capitalize on the opportunities that can be applied in modern medical and natural health product markets.

For further information, please contact:

High Fusion Inc.

Robert Wilson, Chief Financial Officer
Email: rwilson@nutritionalhigh.com

Neural Therapeutics Inc.

Ian Campbell, Chief Executive Officer
icampbell@neuraltherapeutics.ca

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 completion of the Arrangement on the

terms set forth herein; the outlook for the psychedelic products and related industries; the achievement, and the timing of, certain development milestones and the successful execution of Neural Therapeutics' business strategy (including its business model and mission); timing and ability to complete a listing following the Transaction and other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance, expected regulatory filings, review and approval dates, and start-up timelines and schedules, and statements related to the continued overall advancement of Neural'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 and Neural to successfully execute their business plans; the ability to satisfy the conditions to closing the Transaction; the ability to satisfy the conditions to listing of Neural; 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.