

High Fusion Inc. Announces a Licensing Agreement for Direct Delivery of Cannabis in California and Amendments to Debentures

Toronto, Ontario--(Newsfile Corp. - February 23, 2023) - High Fusion Inc. (CSE: FUZN) ("High Fusion" or the "Company") is pleased to announce that yesterday it has entered into a licensing agreement ("Licensing Agreement") with MJ Direct Inc. and has an agreement to amend certain terms of the August 2018 senior secured convertible debentures ("Debentures").

MJ Direct agreement

The Licensing Agreement with MJ Direct Inc. pertains to the licensing of a software application for direct delivery of cannabis in California. The MJ Direct web site mjdirect.com as well as the MJDirect application has been specifically developed for direct consumer delivery. The application is available on the Apple App Store and the Google Play Store. Through the Licensing Agreement, High Fusion will have the exclusive right to the MJ Direct software and intellectual property for two years which will allow the Company to enter the rapidly growing direct delivery market in California.

"Recent changes to the laws in California, have opened up the market for direct delivery across the state and have made delivery the fastest growing segment of the California cannabis market," said John Durfy, the CEO of High Fusion. "We are very excited about our licensing arrangement with MJ Direct and look forward to growing this portion of our business."

The terms of the Licensing Agreement provide for the exclusive use of software and intellectual property by the Company for two years and a one-time licensing fee of US\$500,000 (Canadian \$675,000) the payment for which will be satisfied through the issuance of multiple voting shares of the Company at a price of \$0.10 per share resulting in the issuance of 6,750,000 multiple voting shares. The Licensing Agreement also provides the Company with an exclusive option to purchase 100% of MJ Direct for US\$1.5 million. Such option may be exercised at any date during the 2 year term of the Licencing Agreement and is payable in multiple voting shares at a price of \$.50.

Debenture Amendment

The Company is pleased to announce that yesterday it has agreed with the holders of the Debentures to amend certain terms of the Debentures and to issue subordinated voting shares for outstanding interest due. The amendments include: (i) extension of the maturity to August 3, 2024; (ii) reduction in interest rate from 24% back to the original semi-annual interest payments at 10% per annum in cash or 12% per annum payable in the form of shares of the Company as calculated based on the 20 day VWAP on each payment date of December 31 and June 30; (iii) issuance of 25,299,564 subordinated voting shares representing interest due to the holders of the Debentures; (iv) waiver of the conversion price adjustment provision for issuances of up to 10,125,050 multiple voting shares including 6,750,000 multiple voting shares to be issued to MJ Direct; and (v) an amendment to the restated subordination and postponement agreement with the holders of the Debentures to provide security against the Oregon property owned by the Company to support vendor and creditor obligations.

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. The Company's main portfolio includes 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.

For further information, please contact:

High Fusion Inc.

Robert Wilson, Chief Financial Officer

416-666-4005

Email: rwilson@nutritionalhigh.com

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 licensing agreement with MJ Direct Inc. and 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 and legal changes relating to the cannabis industry proceeding as anticipated.

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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