

High Fusion and Its Psychedlics Subsidiary Neural Therapeutics Enter into Amended and Restated Arrangement Agreement

Toronto, Ontario--(Newsfile Corp. - February 28, 2023) - High Fusion Inc. (CSE: FUZN) ("**High Fusion**" or the "**Company**") is pleased to announce that it has entered into an amended and restated arrangement agreement, effective February 24, 2023 with (the "**Agreement**") with Neural Therapeutics Inc. ("**Neural**") with respect to the distribution of a part of High Fusion's shareholdings in Neural to High Fusion shareholders (the "**Transaction**" or the "**Plan of Arrangement**").

High Fusion CEO John Durfy commented: "*We are pleased to report on the progress towards completing the spin-out of Neural Therapeutics. As the transaction is subject to shareholder approval we have decided to include several other matters into the upcoming shareholders' meeting of High Fusion shareholders. As we continue towards completing the transaction, Neural has achieved a number of key business milestones and we look forward to finalizing the spin-out transaction which would give High Fusion shareholders an opportunity to directly participate in the upside of Neural through ownership of Neural shares.*"

Transaction Summary

The Agreement amends and restates the original arrangement agreement entered into by High Fusion and Neural on November 3, 2022 ("**Original Agreement**"), as further announced in a High Fusion press release dated November 4, 2022^[1]. Pursuant to the Agreement, the Company agreed to distribute 4,716,667 common shares in the capital of Neural ("**Neural Shares**") to the shareholders of the Company, which represents approximately 12% of Neural Shares issued and outstanding as of the date hereof. The 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.

Closing of the Transaction is subject to several conditions, including: (i) shareholder approval which High Fusion intends to obtain at an annual and special meeting of shareholder ("**Meeting**"); (ii) court approval of the Transaction pursuant to the Agreement; and (iii) certain other customary conditions set out in the Agreement.

The Agreement also provides for a few changes, briefly summarized below:

- In connection with the Transaction, High Fusion intends to change its name to "Vertical Peak Holdings Inc." or such other name as High Fusion may determine ("**Name Change**").
- In connection with the Transaction, it is anticipated that High Fusion will continue (the "**Continuance**") from the Canada Business Corporations Act to the British Columbia Business Corporations Act ("**BCBCA**") prior to the Plan of Arrangement being effective. The Continuance requires the affirmative vote of at least 66⅔% of the votes cast at the Meeting as well as a simple majority of the votes cast by High Fusion shareholders, excluding any persons required to be excluded in accordance with Multilateral Instrument 61-101. It is anticipated that High Fusion Shares representing approximately 16.0% of the votes attaching to the issued and outstanding High Fusion Shares will be excluded from this vote.
- The Plan of Arrangement will occur under the provisions of BCBCA, whereby holders of SVS and MVS will receive an aggregate of 4,716,667 Neural Shares via a share exchange mechanism ("**Share Exchange**"). The Agreement provides for adjustments of the Share Exchange ratio if the High Fusion share structure changes between the date of this Agreement and the effective date of

the Transaction.

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 the laws of British Columbia, Alberta and Quebec. Neural intends to apply to list Neural Shares on a stock exchange following the completion of the Transaction, but such listing is subject to regulatory approval, and there is no assurance that Neural will obtain such listing.

Further information regarding the Transaction will be provided in subsequent news releases, and in a management information circular to be prepared in connection with the Meeting that will set forth the particulars of, among other things, the Name Change, the Continuance and the Plan of Arrangement, which will be filed on SEDAR in accordance with applicable securities legislation. Shareholders are cautioned that final details of the Plan of Arrangement are subject to change and that there is no certainty that the Transaction will be completed as currently proposed or at all. No finder's fees are payable in connection with the Transaction.

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. High Fusion'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.

About Neural Therapeutics Inc.

Neural Therapeutics Inc. (formerly Psychedelic Science Corp.) is a wholly-owned subsidiary of High Fusion focused on ethnobotanical drug-discovery and development company. Neural Therapeutics 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.

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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 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); anticipated capitalization, projected milestones and the go-forward management of Neural; the upside to the Company from the licensing agreement with MJ Direct; timing and ability to complete any financing following the Transaction; the potential impact of the COVID-19 pandemic on Neural's business or operations; 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; 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.

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 Neural Therapeutics 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.

^[1] <https://www.newsfilecorp.com/release/143027/High-Fusion-and-Its-Psychedelics-Subsidiary-Neural-Therapeutics-Enter-into-Arrangement-Agreement>.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/156523>