

# High Fusion Files Management Information Circular for Proposed Arrangement with Neural Therapeutics

## Neural Therapeutics Launches Concurrent Financing

Toronto, Ontario--(Newsfile Corp. - March 21, 2023) - High Fusion Inc. (CSE: FUZN) (OTC Pink: SPLIF) ("**High Fusion**") is pleased to announce that it has filed on [www.sedar.com](http://www.sedar.com) its management information circular (the "**Circular**") and related materials in connection with the annual and special meeting (the "**Meeting**") of High Fusion shareholders (the "**High Fusion Shareholders**") to be held at 10:00 a.m. (Eastern Time) on May 1, 2023 at High Fusion's head office to approve, among other things, the previously-announced plan of arrangement (the "**Arrangement**") pursuant to which High Fusion proposes to distribute certain of the common shares ("**Neural Shares**") of Neural Therapeutics Inc. ("**Neural**") which it holds, as announced in High Fusion's press release dated February 28, 2023 and as more particularly described in the Circular. High Fusion also announces that Neural has launched a non-brokered private placement ("**Financing**") of subscription receipts ("**Subscription Receipts**") anticipated to be completed following completion of the Arrangement.

John Durfy, CEO of High Fusion commented: *"We are excited to report on this important milestone towards completing the spin-out of Neural Therapeutics. The document also includes in depth descriptions of the companies' progress made over the last several years, including Neural's value generating initiatives, such as its proprietary extraction technology, various value-add partnerships and its road to clinical trials."*

Ian Campbell, CEO of Neural commented: *"We are excited to report on our progress towards becoming a public company. We look forward to welcoming new investors into the Financing which will allow us to continue advancing our R&D programs, secure a public listing and accelerate the partnerships that we've recently announced. Since founding, Neural has made significant progress towards researching the safety and efficacy of mescaline for mental health treatment, a huge market in urgent need of new, more efficacious options. Becoming a public company provides us with an alternative currency to help accelerate our development and generate significant shareholder value."*

### **Filing of Circular for the Meeting**

The Circular provides important information regarding the Arrangement and related matters, including the background to the Arrangement, the reasons for the unanimous recommendation of the board of directors of High Fusion (the "**Board**"), voting procedures and other matters to be considered and if deemed advisable approved at the Meeting. High Fusion Shareholders are urged to read the Circular and its appendices carefully and in their entirety. The Circular and the related materials in connection with the Meeting are being provided to High Fusion Shareholders in compliance with applicable laws and the interim order of the Supreme Court of British Columbia granted on March 17, 2023 which is included in the Circular, which is available under High Fusion's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board unanimously recommends that High Fusion Shareholders vote **FOR** the Arrangement.

High Fusion Shareholders are cautioned that there is no certainty that the Arrangement or any of the related matters discussed in the Circular 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.

## **Series A Financing**

Following the completion of the Arrangement, Neural intends to complete the Financing of Subscription Receipts at a price of \$0.10 per Subscription Receipt, each automatically exercisable into one Unit of Neural (a " **Unit**") upon satisfaction of the Escrow Release Conditions (as defined below). Each Unit will be comprised of one common share of Neural (a "**Neural Share**") and one-half of one Neural Share purchase warrant (each a "**Neural Warrant**"). Each Neural Warrant will entitle the holder thereof to purchase one Neural Share at an exercise price of \$0.125, at any time up to 24 months following the satisfaction of the Escrow Release Conditions.

On the date on which the following conditions (the "**Escrow Release Conditions**") are satisfied, the net proceeds of the Financing, will be released from escrow to Neural as follows: (i) the Company raising gross proceeds of not less than \$1,500,000, or any such other amount required to satisfy the minimum listing requirements of a recognized Canadian stock exchange; (ii) completion of the Arrangement; and (iii) the Company completing the listing of its Neural Shares on a recognized stock exchange. The Escrow Release Conditions must be satisfied on or before the date that is 120 days after the closing of the Financing.

The net proceeds from the sale of the Subscription Receipts will be used for research and development as well as for general working capital.

It is expected that upon completion of the Arrangement, 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 the CSE subject to regulatory approval. There is no assurance that Neural will obtain such listing.

## **About High Fusion Inc.**

High Fusion 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 the State of California. High Fusion has manufacturing, retail and cultivation 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 High Fusion's activities and highlights of the High Fusion's press releases and other media coverage, please visit [www.high-fusion.com](http://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. As a biotech company, Neural Therapeutics aims to develop products and conduct clinical research on psychoactive extracts from cacti, such as mescaline, with the primary objective to proof safety and efficacy in line with applicable requirements and capitalize on the opportunities in advancing modern medical and natural health product markets.

For updates on the Neural's activities and highlights of the Neural's press releases and other media coverage, please visit [www.neuraltherapeutics.ca](http://www.neuraltherapeutics.ca).

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### **Neural Therapeutics Inc.**

### **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: development of the Company's business; the outlook for the psychedelic products and related industries; the achievement, and the timing of, certain development milestones and the successful execution of Neural's business strategy (including its business model and mission); anticipated capitalization, projected milestones and the go-forward management of Neural; ability to secure requisite approvals to complete the Arrangement on the terms favorable to High Fusion or Neural, or at all; timing and ability to complete Financing following the Arrangement on the terms described herein; 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.*

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*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](http://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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