

**Harrys Manufacturing Inc.**  
**(formerly Westridge Resources Inc.)**

**Form 51-102F4**

**Business Acquisition Report**

***Item 1 Identity of Corporation***

**1.1 Name and Address of the Company**

Harrys Manufacturing Inc. formerly known as Westridge Resources Inc. (the “**Company**”)  
1518 - 800 West Pender St.  
Vancouver, BC  
V6C 2V6

**1.2 Executive Officer**

For further information please contact:

Michael Young, Chief Financial Officer  
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***Item 2 Details of Acquisition***

**2.1 Nature of the Business Acquired**

The Company completed the acquisition of 100% of the issued and outstanding shares of Harrys International Manufacturing Inc. (“**HIMI**”), a company incorporated under the laws of the Province of British Columbia, pursuant to the terms of a share exchange agreement dated January 22, 2018 (the “**Agreement**”).

HIMI is focused on generating revenues from the sales and distribution of cigarettes to international customers. The Company utilizes various types of tobacco and blend components from Canadian growers to satisfy customer demands and preferences for products that meet Health Canada standards. Initially, HIMI will continue to outsource manufacturing of tobacco cigarettes and generate revenues from the distribution to customers outside of Canada. The Company’s management team is also working towards obtaining the necessary federal and provincial license and permits to purchase, manufacture and sell tobacco products.

As a result of the transaction HIMI has become a wholly-owned subsidiary of the Company.

A more detailed description of the nature of the business of HIMI is contained in the Form 2A – Listing Statement of the Company dated October 5, 2018 (the “**Listing**”).

**Statement**”) under the sections entitled “General Development of the Business - HIMI” and “Narrative Description of the Business of the Resulting Issuer” beginning on page 9 of the document. The aforementioned sections of the Listing Statement are specifically incorporated by reference into, and form an integral part of, this report. The Listing Statement has been filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **2.2 Acquisition Date**

Both the closing date and acquisition date for accounting purposes was October 4, 2018.

## **2.3 Consideration**

In consideration for all of the issued shares of HIMI, the HIMI shareholders received, on a pro rata basis, 28,500,100 shares of the Company (the “**Common Shares**”) at a deemed price of \$0.35 per Common Share (the “**Share Exchange**”). Additionally, prior to the Share Exchange the Company loaned HIMI \$2,400,000 pursuant to a loan agreement between the Company and HIMI dated January 4, 2018.

The Loan was financed through funds received from a non-brokered private placement (the “**Private Placement**”) which was completed by the Company in three tranches. On December 4, 2017, the Company completed the first tranche of the Private Placement of 3,082,165 units at a price of \$0.35 per unit for gross proceeds of \$1,078,758. On December 19, 2017, the Company completed the second tranche of the Private Placement of 6,289,072 units at a price of \$0.35 per unit for gross proceeds of \$2,201,175. On January 12, 2018 the Company completed the third tranche of the Private Placement of 1,873,500 units at a price of \$0.35 per unit for gross proceeds of \$655,725 and total gross proceeds of \$3,935,657.95

## **2.4 Effect on Financial Position**

In connection with the closing of the Acquisition, Kevin Kohanik was appointed Chief Executive Officer and a Director of the Company.

Upon completion of the Acquisition, HIMI became a wholly-owned subsidiary of the Company. The business and operations of HIMI have been combined with those of The Company and are managed concurrently.

With the acquisition of HIMI, the Company has, among other things, acquired manufacturing equipment and a customer base which bring revenues and enhanced access to capital.

Other than the pursuit of the necessary licenses and permits to manufacture tobacco cigarettes, the Company has no current plans for material changes in the business affairs of HIMI that may have a significant effect on the results of the operations or financial position of HIMI.

For additional information on the effect of the Acquisition on the Company's financial position, see the pro forma consolidated financial statements of the Company included in the Listing Statement "Schedule A - Pro Forma Financial Statements" beginning on page 63.

Other than in respect of the changes which occurred as a result of the Acquisition, the Company has no plans or proposals to liquidate HIMI, to sell, lease or exchange all or a substantive part of its assets, to amalgamate its business or make any other material change in its business or corporate structure. Following completion of the Acquisition, the Company assumed responsibility for management of the affairs of HIMI.

## **2.5 Prior Valuations**

To the knowledge of the Company, there has not been any valuation opinion obtained within the last 12 months by either the Company or HIMI required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company for the Acquisition.

## **2.6 Parties to Transaction**

Michael Young was both an officer and director of the Company and a 3.51% shareholder of HIMI prior to the Acquisition.

## **2.7 Date of Report**

December 18, 2018

### ***Item 3 Financial Statements***

The Company's Audited Annual Financial Statements and the Interim Financial Statements are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and are incorporated herein by reference:

- (A) Annual audited financial statements the Company including the auditor's report from K.R. Margetson Ltd., Chartered Professional Accountants, for the financial year ended July 31, 2018, and for the financial year ended July 31, 2017; and

A copy of the audited financial statements of HIMI for the most recent fiscal year ended July 31, 2017 and the interim unaudited financial statements ended April 30, 2018 are attached as Schedule B of the Company's Filing Statement dated October 5, 2018 available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).