

**Form 51-102F3  
Material Change Report**

**PART 2           CONTENT OF MATERIAL CHANGE REPORT**

**Item 1           Name and Address of Company**

NEVIS BRANDS INC.  
1100- 1199 W. Hasting Street  
Vancouver, B.C. V6E3T5

**Item 2           Date of Material Change**

June 30, 2023

**Item 3           News Release**

June 30, 2023  
Filed with Sedar and Stockwatch

**Item 4           Summary of Material Change**

The Company announced that its Reorganization substantially completed on June 30, 2023 with the closing of the acquisition of THC Essentials, a closing of a substantial part of a \$2,000,000 private placement and the issue of shares for debt.

**Item 5           Full Description of Material Change**

Nevis announced that its Reorganization substantially completed on June 30, 2023. \$1,519,500 of the previously announced \$2,000,000 private placement closed with the issue of 15,195,000 shares of the Company (“Shares”) at a deemed price of \$0.10 per Share. 7,957,500 Share purchase warrants (“Warrants”) were issued to the subscribers to the private placement to acquire 7,957,500 additional Shares, exercisable for one year at a price of \$0.20 per Share. All Shares have a hold period expiring November 1, 2023. A finder’s fee of \$74,550 was paid and the finder was issued 532,500 Warrants on the same terms as the private placement Warrants. The balance of the private placement is scheduled to close on the date the Shares are listed on the CSE.

The acquisition of THC Essentials closed with SoRSE Technology Corporation which was paid U.S. \$625,000 and issued 3,775,000 Shares at a deemed price of \$0.10 per Share.

1,246,372 Shares were issued at a deemed price of \$0.40 per Share to settle liabilities of \$593,048.6.

All Shares have a hold period expiring November 1, 2023.

Further information is provided on Schedule A attached to this report.

**Item 6           Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

**Item 7           Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8**      **Executive Officer**  
John Kueber– CEO  
Telephone: 425-380-2151  
Email: kueber@gmail.com

**Item 9**      **Date of Report**  
June 30, 2023

## Schedule A

### NEVIS BRANDS INC.

Date: June 30, 2023

The following provides additional details to the Material Change Report dated June 30, 2023.

#### Change of Business:

The Asset Purchase Agreement was signed on February 11, 2023, between SoRSE and the Company, to acquire from SoRSE the assets of the operating business called THC Essentials (the “*THC Essentials Acquisition*”). Closing was on June 30, 2023 with the payment to Sorse of U.S. \$625,000 and the issue to SoRSe of 3,775,000.

The assets being acquired are:

- (i) The name “THC Essentials” and the following trademarks: Major, Happy Apple, Pearl, Utopia, Atomic Apple, Vertus, Velvet Swing and Velvet Kiss;
- (ii) Product formulas, designs, and recipes sold under the trademarks and brands;
- (iii) Assignment of all licenses and royalty agreements and associated royalty revenue from the sale of beverages infused with SoRSE’s Emulsion Technology by SorSE licensees in Washington, Oregon, California, Arizona, Colorado, and Ohio; and
- (iv) All remaining inventory and equipment. The equipment is a basic bottle-filling machine and a machine to heat the labels and shrink-wrap the labels around the bottles. It is currently in a client’s bottling plant in Portland, Oregon. The equipment is loaned to clients to help new clients get started with the manufacturer of the Licensed Products

The assets of THC Essentials being acquired from SoRSE exclude SoRSE’s Emulsion Technology which is a proprietary, patent-pending emulsion technology that transforms oil into a water-compatible form for use in beverages, edibles, tinctures, and topicals. It converts a Licensee’s THC Distillate to a water-soluble solution that is added to the Licensed Products.

The purchase price is U.S. \$1,125,000, of which U.S. \$625,000 was payable at closing of the Transaction, and the balance of U.S.\$500,000 is payable 12 months from the Closing Date.

#### Specifics of the APA:

- (i) Promissory Note: Interest: On Closing, the Company and Nevis U.S. will sign a promissory note for the outstanding balance of the purchase price of U.S. \$500,000, payable 12 months from the closing of the APA. Interest of 7.5% per annum will be paid and due 13 months from the Closing of the APA. The promissory note is secured by a security agreement over the assets of the Company that has been signed by the Company and Nevis U.S. In the event of a default by the Company, the U.S. \$500,000 plus interest will be immediately due and payable. The promissory note is attached as a schedule to the APA.

Incidents of default are: a sale of substantially all of the Company’s assets, the Shares being delisted from the CSE, a failure to meet continuous disclosure obligations, collection or enforcement proceedings, commencement of litigation against the Company exceeding U.S. \$250,000, commencement of bankruptcy, winding up or dissolution proceedings, or assumption of or incurring debt greater than or in seniority to the U.S. \$500,000. In the event of a default, the interest rate increases to 15% per annum.

- (ii) On June 30, the Company and its subsidiary Pascal Biosciences U.S., Inc. signed a security agreement providing a first charge in favour of SoRSE over the assets of the Company.
- (iii) Anti-dilution: In the event that the Company issues Shares at a price of less than CAD\$0.05 per Share in the first year following Closing, the Company will issue Shares to SoRSE in an amount sufficient to provide SoRSE a 9.9% shareholding in the issued Shares.
- (iv) Indemnity: Each of the Company and SoRSE agree to indemnify the other from any claims, lawsuits, losses, liabilities, or litigation expenses arising from a breach of the APA.

### Services Agreement

The Company and SoRSE signed a three-year Services Agreement on June 30, 2023. SoRSE has agreed to sell its Emulsion Technology to the Company on a non-exclusive basis.

Specifics of the Services Agreement:

- (i) The Company can only purchase emulsion technology from SoRSE. SoRSE can reject an order but is required to use commercially reasonable efforts to accept all purchase orders.
- (ii) SoRSE has agreed to not increase the price of its Emulsion Technology for one year to any Licensee that is active as at the Closing Date. Thereafter, the price is subject to change.
- (iii) Termination would result from a breach of the Services Agreement, a party becoming insolvent or subject to bankruptcy proceedings, a violation of any State Marijuana Regulations, or failure by the Company to pay two or more consecutive purchase orders. Each party will indemnify the other for any claims, lawsuits, losses, liabilities, or litigation expenses arising from a breach of the Services Agreement.
- (iv) Non-compete: SoRSE has agreed to not engage in the sale or licensing of any branded consumer products infused with THC cannabinoids in the U.S. for a period of three years following the Closing Date. The Company has agreed that, during the restricted period, SoRSE may provide formulation, production, cannabinoid emulsion, or any other related services to current and future customers of SoRSE who engage in the sale or licensing of branded consumer products infused with any cannabinoids, including without limitation delta-9-tetrahydrocannabinol (THC) cannabinoids, or otherwise compete directly or indirectly with the Company.
- (v) New Market Exclusivity. If the Company is the first customer of SoRSE to sell commercially a Product containing 100 mg of THC per unit in a certain state, then Seller shall refrain from selling its Services to another customer selling a similar product (“Similar Product”) in that specific state for a period of 12 months (the “Exclusivity Period”); the Company is required to pay in advance at the beginning of the Exclusivity Period a dollar amount equal to 10 kg of distillate converted at SoRSE’s market rate at that point in time and to purchase SoRSE’s Emulsion Technology to convert at least an additional 10 kg of distillate within six months of the Launch Date. If, prior to the Launch Date, SoRSE is already engaged with another customer that is either already selling a Similar Product in that state, or is already in development of a Similar Product intended for sale in that state, then SoRSE is not obligated to grant an Exclusivity Period to the Company. In the event that an Exclusivity Period is granted, SoRSE can engage with other customers in the development of a Similar Product, which cannot be sold commercially in that state during the Exclusivity Period.

The Service Agreement is a schedule to the APA.

SoRSE is a private company owned by more than 100 shareholders, all of whom are arms-length to the Company. None of them will own 5% or more of the issued Shares upon completion of the Reorganization.

The Company also signed a general security agreement dated June 30, 2023 granting SoRSE a security interest over all of the assets of the Company.

### Debt Settlement by the Issue of Pre-Consolidation Shares for Debt

On June 30, 2023, the Company issued 1,246,372 consolidated Shares for Debt at a deemed price of \$0.40 per Share. The Shares have a hold period of four months and one day from the date of issue.

\$ Amount	# of Pre-Consolidation Shares	# of Post-Consolidation Shares at a deemed price of \$0.40 per Share
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Former Director and CEO	134,500.00	500,000	100,000
One arms-length creditor	56,339.59	704,245	140,849
Patrick Gray, Director	<u>402,209.02</u>	<u>5,027,613</u>	<u>1,005,523</u>
Total	593,048.61	6,231,858	1,246,372

### Payment Plan Agreements with Creditors

The Company has entered into Payment Plan Agreements with five arms-length creditors owed \$212,512.95 and with the CEO, who is owed \$13,920, to repay them over periods ranging from two months to 18 months. The aggregate amount due the creditors for the 12 months following listing on the CSE is \$180,463.

### Private Placement of \$2,000,000

The Company arranged the Private Placement of \$2,000,000 by the issue of 20,000,000 Post-Consolidation units on the Listing Date. Each unit (“Unit”) is composed of one Share and one-half Share purchase warrant. One Whole warrant entitles the holder to purchase one additional Share at a price of \$.20 per Share for a term of 12 months. The private placement finder will be paid a commission of 7% of gross proceeds of \$1,525,500 placed by the finder and will be issued 762,500 Share purchase warrants, equal to 5% of the 15,255,000 Units placed by the finder exercisable for one year at an exercise price of \$0.20 per Share. On June 30, 2023 \$1,519,500 of the Private Placement closed. The balance of \$480,500 is scheduled to close on the Listing Date.

### Listing on the CSE

On April 25, 2023, the Company received conditional acceptance to list the Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE, including, without limitation, the distribution of the Shares to a minimum number of public shareholders, the Company meeting certain financial and other requirements and completing the Reorganization on the Listing Date.

### Prior and Resulting Share Structure

	\$	Number of Shares Pre-Consolidation	Number of Shares Post-Consolidation (on the basis of one new Share for five old Shares)	%
Issued Shares		65,594,769	13,118,954	36.52
Shares for Debt	593,048.61	6,231,858 at an agreed price of \$0.08 per Share	1,246,372 at a price of \$0.40 per Share	3.47
Private Placement	2,000,000		20,000,000 at a deemed price of \$0.10 per Share	50.11
SorSE Shares	377,500		3,775,000 at a deemed price of \$0.10 per Share	9.90
Total			38,140,326	100

### Currency

Unless otherwise indicated, all currency amounts reflected herein are stated in Canadian dollars and references to “CAD”. “\$” or “dollars” are references to Canadian dollars.

Developments after November 30, 2022

On June 12, 2023 the Company changed its name to Nevis Brands Inc., consolidated the Shares with a ratio of one new Share for five old Shares, accepted the resignations of three of the four directors, and appointed three new directors and a new CEO. See “Directors and Executive Officers.”

On January 3, 2022, the Company removed Robert Gietl as CEO and President. On January 14, 2022, 500,000 Shares were issued to Robert Gietl for his services as CEO of the Company for the months of September and October 2021. He has not been paid for his services for November and December 2021. Mr. Gietl commenced a legal action in the Supreme Court of B.C. claiming damages, interest and costs, payment of unpaid salary of \$230,000, and the issue of 500,000 shares. On June 22, 2023 a settlement agreement of \$126,000 was reached. \$46,000 (which is included in the Use of Funds) will be paid on July 14, 2023. There will be six monthly payments of \$12,000 to be paid on the 14<sup>th</sup> day of the months of August, 2023 to January 14, 2024. One final payment of \$8,000 will be paid on February 14, 2023.

### **The Cannabis Drink Industry The Market**

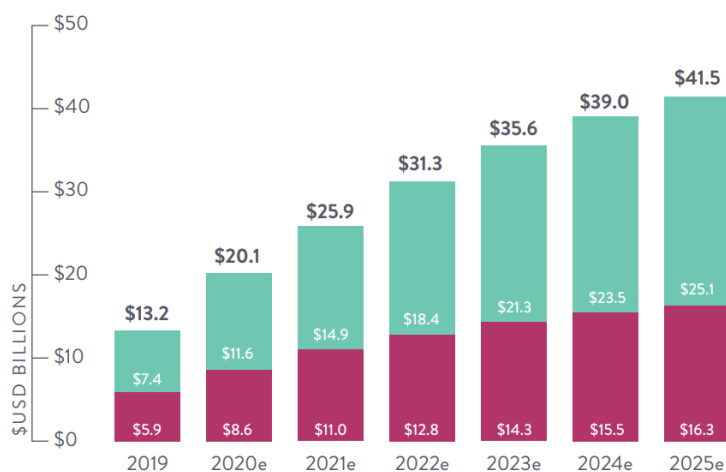
THC Essentials’ target market is the U.S. cannabis consumer. The cannabis market is still in its early stages in the U.S. and is growing rapidly. While the Company may evaluate international licensing in the future, the Company believes its most interesting expansion opportunities are in certain states within the U.S.

Following the 2022 U.S. election, 21 states plus Washington D.C. have legalized cannabis for adults for recreational purposes. Those states, along with an additional 18 states that have legalized medical use of cannabis, bring the total population of U.S. residents living in a state (or D.C.) with legalized medical or adult-use cannabis to over 71% of the national population.

The current US Cannabis market is a \$60 billion industry, with beverages representing approximately 1% of the cannabis market. Beverages are one of the fastest growing segments of the cannabis industry.

#### **Growth of the U.S. Legal Cannabis Industry**

2019-2025 est. (\$USD billions)



Source: New Frontier Data

The industry expansion is fueled by several forces, including the following:

- The addition of new legal markets as more states reform their cannabis laws;

- Sustained growth in demand in legal states as consumers make the transition from the unregulated market to the legal one; and
- Increased cannabis consumption as the public recognition of cannabis’s expansive therapeutic value grows, and cannabis is diversified for varying medical and wellness uses.

While competitive forces and economies of scale may drive down both wholesale and retail prices, continued growth in consumer demand is expected to ensure sustained positive market growth through 2025.

The cannabis beverage market in the U.S. was estimated to be U.S.\$566.4 million in the year 2020 and is forecast to reach U.S.\$1.7 billion by 2027 (Global Industry Analysts Inc. Report, October 2022). In the past, cannabis edibles and beverages were seen by some as a less attractive way to enjoy cannabis because of uneven experiences. However, with improved infusion technologies that have allowed for consistent dosing and onset of effects, beverages, gummies, and other cannabis-infused food and drinks have increased in popularity. Because cannabis beverages can offer a similar social experience during times of alcohol abstinence, new potential markets have developed. Today, several hundred brands comprise the cannabis beverage landscape, with a variety of flavors and dosages throughout the United States in those states that have legalized recreational cannabis consumption.

Companies that are much larger in size and have much more financial resources than those available to the Issuer are making Infused Beverages and have larger shares of the Infused Beverage Market. See item 4, “*Description of the Business – Competition.*”

- Cannabis drinks

The cannabis drink segment is the fastest-growing area of the cannabis industry Cannabis beverages are evolving to meet consumer demand for both low-dose and high-dose products as well as an array of consumer tastes. As this segment continues to grow, several trends have emerged:

- Continued leadership by high-dose beverages but also growth of low-dose beverages

In the early days of the cannabis beverage market, doses from 2.5 mg to 100 mg of THC were offered in various formats, such as carbonated, still, waters, and sugar-based beverages. Beverages with the higher dosing became market leaders and dominated sales in various legal markets. However, recently, the market has begun to see growth in lower-dose formats. *Headset*, a firm that tracks sales metrics in the cannabis industry, published a report in early 2022 showing that, over a two-year period between January 2020 and January 2022, consumers spent a collective US \$25.4 million on major branded cannabis beverage products and U.S.\$23.9 million on Keef Cola products. CANN Social Tonics (under 10mg per unit) also did well in this time period, posting just shy of U.S.\$20 million in sales.

THC Essentials owns one of the leading brands (Major™) in the high-dose (100 mg) category. Competitors include Ray’s Lemonade, Uncle Arnies, and Pabst High Seltzer. THC Essentials has strong market share and sells 10-15% of all THC beverages in the United States in the high-dose category and 20-25% of all THC cannabis beverages in Washington State. Recreational cannabis is available in 21 states in the United States. Currently, the Licensed Products are available in five states.

- Implementation of functional ingredients along with cannabis

Consumers and budtenders have mostly chosen a beverage based on flavor profile, cannabis content, and the ability to enjoy cannabis without smoking. However, more recently, some products have emerged that combine other ingredients, such as caffeine and adaptogens, that provide consumers with other functional ingredients that they often find in non-cannabis beverages.

- Development of trusted, recognizable brands

With the proliferation of brands in mature markets such as Washington and California, consumers choose brands where they have some familiarity and trust built with an already established positive experience. This will make it more challenging for new brands to enter the marketplace and allow existing brands to execute brand extensions to other size, flavor profile, and functional ingredients.

- Integrating packaging with measurement

Many consumers purchase a high-dose cannabis beverage with the intent of enjoying the effects of cannabis over several sessions. As such, Major and other products have introduced packaging such as dosing strips and measurement cups, where consumers may accurately deliver dosing appropriate to the experience they are seeking.

**Business Model: How the THC Essentials Business Has Operated:**

The THC Essentials business model is “asset-light” and focused on the licensing of its trademarks to established licensed partners in each legal cannabis state, which use the THC Essentials recipes and formulas and the Emulsion Technology in the Licensed Products. The Company forms partnerships with production and distribution partners in licensed facilities to support the business in each state and typically collects a royalty of 10-20% of sales. THC Essentials is the owner of each Product formula and brand trademark.

Partners typically sell the Licensed Products at wholesale for U.S.\$5-8, with THC Essentials collecting U.S.\$1.50 to U.S.\$2.00 per unit. While THC Essentials assists partners with initial production, package design, and co-marketing, sales and distribution are handled by the licensed partners along with subsequent production.

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THC Essentials has licensed beverage manufacturers / Licensees in six states, five of which are operational. Under the Licenses, the Licensee is responsible for all production, operations, and marketing. THC Essentials is only responsible for the provision of bottles, labels, and flavors, the collection of revenues from its partners, and investing in certain marketing it deems strategically advantageous. The Company plans to expand the Licensed Products to more states in 2023.

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**How it started:**

- THC Essentials was founded as a division of Seattle-based SoRSE to develop innovative cannabis products that proved the effectiveness of SoRSE’s Emulsion Technology, used to create safe and effective cannabis beverages with even dosing and stability and faster onset.

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- THC Essentials launched its first cannabis beverage in November 2018. *Happy Apple*™ quickly became the top-selling beverage in the Washington State market and was followed by additional Licensed products, including *Utopia*™, *Velvet Swing*™, and *Pearl*. In late 2019, it introduced *Major*, which supplanted Happy Apple as the top-selling beverage in Washington State. At this point in the business, SoRSE handled all parts of the business, including acquiring THC distillate and beverage manufacturing,

- In 2020, SoRSE created the THC Essentials division and moved to a licensing model where it licensed partners the exclusive right to manufacture Major and other brands and sell/distribute the THC-infused beverages (“THC Infused Beverages”) to retailers.

- Through this process, THC Essentials removed itself from all cannabis-related operations. The Licensees are licensed in states in the U.S. where cannabis for recreation is legal. The Licensees purchase THC Distillate from local providers in each state, engage SoRSE in the process of emulsification (which makes the THC Distillate water-soluble), and perform bottling and distribution.

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- SoRSE travels to Licensee manufacturing facilities and converts the Licensee’s THC Distillate using SoRSE’s Emulsion Technology, which produces a water-soluble solution of the THC Distillate that is added to the beverages. THC Essentials provides packaging (bottles, labels, and flavoring) and assists with brand development. THC Essentials outsources the manufacture of the bottles, which are shipped directly to the clients. This acts as a way to track sales and determine the royalties. It also has the labels made and shipped to the Licensees, which attach the labels to the bottles.

- Upon closing of the THC Essentials Acquisition, the Company will not be in the business of cannabis production or sales and will not be involved in providing cannabis products and services for cultivation, distribution, or consumption. With the acquisition of THC Essentials, the Company will continue to be a developer of recipes, formulas, and brands for the Licensed Products. SoRSE will, independently of the Issuer, provide the Emulsion Technology for the Licensed Products.

- **The Licenses**

There are six Licenses, five of which are active. The sixth, for California, is inactive and was not renewed due to the cost of business in California. The Licenses are exclusive, non-transferable Licenses from SoRSE to use the



Trademarks and Licensed Know-How manufacture and sell the Licensed Products in the territory defined by the License (Statewide). The Licenses are assigned by SoRSE to the Company effective on closing of the THC Essentials Acquisition. The assignment agreement will exclude SoRSE's Emulsion Technology.

Licensee employees are trained in the manufacture of the Licensed Products. This training is done by the Company CEO John Kueber, who was the manager of THC Essentials until September 2022. There are annual sales milestone requirements ("Annual Sales Milestones"), which, if not met, will result in a loss of exclusivity, allowing the Company to grant Licenses to other parties in the territory and termination of the License. By written agreement, additional products can be added to the Licensed Products. Limited sub-licensing by a sub-licensee is allowed with the consent of the Company. No ingredients are provided by the Company. A Licensee purchases all brand packaging (bottles, labels, caps, and shipping boxes), flavour kits, and marketing materials from the Company. A Licensee sets its own wholesale price.

The Company's indemnification for losses by a Licensee is limited to losses arising from a material breach of the License by the Company, gross negligence, or wilful misconduct, and the Company is not responsible for consequential damages.

The five active licenses are with the following Licensees, all of which are licensed by the states in which they operate:

1. New Gen Holdings, Inc. of Phoenix, Wyoming.

Date: August 27, 2021, for a term of three years in the state of Arizona.

Under the agreement, The Partner agrees to produce, sell, and distribute the Products. The Partner has also agreed to certain quality controls and inspections during the term. Both parties have agreed to and fulfilled certain marketing commitments in the first year to ensure that the products are successful in the marketplace.

Annual Sales Milestones for the three years of the License are U.S.\$500,000, U.S.\$1,000,000, and U.S.\$1,500,000.

2. Appalachian Pharm Processing of Jackson, Ohio.

Agreement executed November 10, 2021, for a term of three years in the state of Ohio to license the Major <sup>TM</sup> product. Under the agreement, Appalachian Pharm agrees to produce, sell, and distribute the Products. The Partner has also agreed to certain quality controls and inspections during the term. Both parties have agreed to certain marketing commitments in the first year to ensure that the products are successful in the marketplace.

The Partner began selling in Ohio in 2022. Annual Sales Milestones for the three years of the License are U.S.\$100,000, U.S. \$350,000, and U.S.\$700,000.

3. EH Enterprises Management, Inc., of Seattle, Washington

Date: February 27, 2020, for a term of five years in the territory of the state of Washington.

This Licensee is a Washington State Liquor and Cannabis Board approved and licensed processor of marijuana and operates a licensed marijuana processing facility. Under the terms of the agreement, EH has exclusive rights to produce and sell THC Essentials products in Washington. EH is subject to quality control guidelines throughout the term and is subject to quality control inspections. EH is responsible for all capital investments throughout the term and is subject to consulting fees should assistance be necessary. EH agrees to pay royalties based on products on sold and for certain packaging provided in connection with the products.

4. Greenpoint Oregon, Inc. of Portland, Oregon

SoRSE / THC Essentials executed a license agreement with Greenpoint Oregon, Inc. on December 8, 2020, for a term of one year in the state of Oregon. It is automatically renewable each year unless a notice of termination is sent 60 days prior to termination. The company has successfully launched THC Essentials products and has continued to provide royalties related to the selling of the Products. Greenpoint pays royalties based on products sold along with certain bonus payments based on revenue milestones.

The term of the agreement with Greenpoint has expired; the companies continue to work under the terms of the agreement in good faith and may extend the agreement in 2023.

- Revocable, non-transferable, non-sub-licensable license for a specified territory in the State in which the Licensee conducts business.
- Consultation and training fee
- Manufacturing quotas
- Product recalls are the responsibility of the Licensees unless caused by the Company by breach of the License Agreement

- Licensee and the Company provide mutual indemnifications, however, neither party is liable for any indirect, incidental, consequential, exemplary, special, or punitive damages. This limitation in damages does not apply to damages arising from violations of State Marijuana Rules, breaches of confidentiality, the License, gross negligence, and intentional misconduct.
- Licensee is required to carry product liability and contractual liability insurance with the single combined limit of U.S.\$1,000,000 per occurrence and U.S.\$2,000,000 aggregate and any other insurance required by the State Marijuana Rules.
- Licensee is required to perform tests and inspections specified in the Product Specifications provided by the Company.

5. Love’s Oven, LLC of Denver Colorado

Date: March 17, 2022, for a term of three years in the state of Colorado.

Love’s Oven produces, sells, and distributes Major and pays royalties based on products sold. Annual Sales Milestones for the three years of the License are U.S.\$300,000, U.S. \$1,000,000, and U.S.\$1,500,000.

Under the agreement, The Partner agrees to produce, sell, and distribute the Products. The Partner has also agreed to certain quality controls and inspections during the term. Both parties have agreed to certain marketing commitments in the first year to ensure that the products are successful in the marketplace.

**The Licensed Products**

The Licensed Products use SoRSE’s Emulsion Technology, a core ingredient that allows for superior taste and smell and allows for the effects of THC to take effect within 15 minutes, a notable difference from most other cannabis edibles that have unpredictable onsets of 45 minutes to 2 hours.

Both consumer and pharmacokinetic studies have shown that beverages with SoRSE’s Emulsion Technology deliver the effects of cannabis within 15 minutes and have a predictable offset of 90-120 minutes. They also provide significant production advantages and have proven shelf stability, a significant challenge with cannabis beverages.



THC Essentials has delivered other product formats, including Pearl™, a THC concentrate, and Velvet Swing, a cannabis sex lubricant. While these products have not had the same sales success as the THC beverages, the

Company believes that as the market continues to grow, these products will gain in popularity as consumers continue to seek new formats to enjoy cannabis.

**Bottling, Labels, and Flavoring**

- The Company provides packaging as part of its fee in collecting royalties. THC Essentials procures proprietary designed bottles from several manufacturers in California and British Columbia. Bottles are produced and sent either directly to the manufacturers of the cannabis drinks or to the Company to hold in inventory. Typically, the Company has procured bottles on a “just-in-time” basis but may purchase in greater bulk to realize better pricing.
- THC Essentials produces labels in a similar manner. Labels and associated packaging are designed by THC Essentials specifically for each state’s regulatory requirements, printed, and sent directly to our partners for production.
- Flavors specific to each Licensed Product are purchased in bulk and held in storage and provided to customers at each production run as part of their royalty payment. Flavoring represents less than 1% of each unit but offers another control in the royalty collection process and protection of intellectual property related to each Licensed Product.

**Revenue Model:**

SoRSE has been generating revenue from licensing the trademarks for the cannabis drinks since 2018. The revenue from the license/royalty agreements that are being acquired is below. Revenues are not associated with the sale of the THC Emulsion but from the brands and formulas. Expenses are attributed to certain packaging and administration costs, amounting to approximately 50% of royalty revenues. Revenue to the Company will be derived from royalties paid from wholesale sales by the Licensees from the continued licensing of the Trademarks and Licensed Know-How. The royalties range from 10% to 20% of gross sales by the drink manufacturers.

See Schedule E, Audited carveout income statement of SoRSE, regarding the operations of THC Essentials.

THC Essentials will comprise 100% of the business operations of the Company.

**Competitive Advantage and Competition**

- Competition for THC Essentials is comprised of both direct competitors with beverage products as well as all other cannabis products, such as edibles and smokeable flower. The cannabis industry is highly fragmented due to the nature of its early stage and a lack of federal legalization efforts.
- The six largest U.S. MSOs combined accounted for approximately U.S.\$5.0 billion (20%) of cannabis industry revenue in 2021. No single competitor represented as much as 5% of the total. Approximately 9,900 small companies, with average revenues of around U.S.\$1.6 million, accounted for over 60% of total industry sales. ([Benzinga report, November 2022](#)). As the industry gets closer to federal legalization, a wave of consolidation is anticipated as companies seek to position themselves to achieve economies of scale in production, marketing, and logistics that are not yet available in the state regulatory regimes.
- Direct competitors to THC Essentials are listed below. These are companies that are specifically focused on the production, manufacturing, and distribution of cannabis beverages. THC Essentials believes that it possesses a structural advantage over these companies in being an “asset-light” company focused on licensing that does not require capital investment in property, equipment, or salesforces.

**Competitor Comparison**

- THC Essentials competes with a variety of products and companies in each market where it currently operates.

<ul style="list-style-type: none"> <li>• Competitor Name and Location</li> </ul>	<ul style="list-style-type: none"> <li>• Description of Business, Size of Assets, and Website</li> </ul>	<ul style="list-style-type: none"> <li>• Comparison to THC Essentials Licensed Products</li> </ul>
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<ul style="list-style-type: none"> <li>• Dogtown Pioneers Inc. (private)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="http://www.rayslemonade.com">www.rayslemonade.com</a> Produced and distributed in Washington State only.</li> </ul>	<ul style="list-style-type: none"> <li>• Sold as smaller-format shots. The taste of Major has been said to be superior, but Rays has been an excellent marketer of its products at low price points.</li> </ul>
<ul style="list-style-type: none"> <li>• Keef (private; Colorado-based, sells in several states)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="https://keefbrands.com/thc-beverages/">https://keefbrands.com/thc-beverages/</a> Established in Boulder, Colorado in 2010, Keef Brands is a leader in the cannabis beverage space with a suite of products offering Infused Beverages as an alternative to alcohol.</li> </ul>	<ul style="list-style-type: none"> <li>• Keef provides a series of beverages in the 100 mg category. Its product format has traditionally been in a can, which can be a detriment as consumers often wish to consume over a period of time.</li> </ul>
<ul style="list-style-type: none"> <li>• Cann (private; several markets)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="http://www.drinkcann.com">www.drinkcann.com</a> Cann says it is reshaping social drinking with its microdosed, non-alcoholic beverages advertised as vegan, gluten-free, and with only 35 calories. Each Cann has five all-natural ingredients with a strength that is similar to a beer or glass of wine. There are no artificial sweeteners or flavors, sugar substitutes, or cannabis taste.</li> </ul>	<ul style="list-style-type: none"> <li>• Cann is a leading cannabis beverage brand. The company has a focus on lower-dose products, which are preferred by early “canna-curious” users. Major outperforms Cann where users are looking for a more potent beverage with stronger effects.</li> </ul>
<ul style="list-style-type: none"> <li>• Uncle Arnies (private; California)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="https://unclearnies.com">https://unclearnies.com</a></li> <li>• 100 mg Iced Tea Lemonade. It has been the best-selling cannabis beverage in California and is adding more flavors and products to the brand. It also sells cannabis edibles.</li> </ul>	<ul style="list-style-type: none"> <li>• Uncle Arnies has been a leader for cannabis beverages in California. With a strong flavor profile and compelling marketing, it is a challenging competitor. Major challenges Uncle Arnies by providing a wider array of flavors and delivery in a resealable bottle that can be enjoyed over time.</li> <li>• The Company is not renewing the License for California.</li> </ul>

- Specialized Skill and Knowledge
- Over time, the Company has developed specialized knowledge regarding the marketing of cannabis beverages using certain programs related to “budtender” education. This includes the provisioning of certain literature, rewards programs (where legal), and online training platforms that allow for retail salespeople to explain the advantages of THC Essentials products.
- In addition, the Company provides its Licensees insight and know-how regarding the production of beverages for both small-scale and large-scale production, testing, analysis, and storage. While many producers have knowledge regarding the creation of flower-based products, many are not experienced in the production of cannabis beverages.

## Intellectual Property

### Patents

In January 2018, the Company filed a provisional patent application, "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells thus increasing their subsequent destruction. The non-provisional application was filed on January 21, 2019 with co-inventors from UBC. This provisional patent has recently been returned to UBC.

Pursuant to the terms of the license agreement with the University of Washington in October 2018, the Company has retained the patent portfolio surrounding development of a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. The patent “Composition and methods for treating glioblastoma” filed in August 2011 by the University of Washington was granted by the United States Patent and Trademark Office in May 2015 (US Patent Number: 9,034,895) with expiry in November 2031.

In August 2018, the University of Washington filed a provisional patent titled “Modified Carbazoles Destabilize Microtubules and Kill Glioblastoma Multiforme Cells and BRAF Mutant Cancers,” covering the cannabinoid-based compounds for treatment of glioblastomas and brain metastases. In August 2019, the Company filed a non-provisional patent application for patent protection. The Company has returned these provisional patents to the University of Washington.


In July 2019, the Company filed a provisional patent titled “Composition and Methods of Targeting the Pre-B Cell Receptor for the Treatment of Leukaemias and Lymphomas. In July 2020, the Company filed a non-provisional application for patent protection. The company has abandoned this patent application.

In July 2020, the Company filed a provisional patent titled: “Method of Treating Coronavirus Infections with Cannabinoids and Derivatives”. In July 2021, the Company filed a non-provisional application for patent protection. This patent has been returned to UBC.

PATENT NUMBER	COUNTRY	APPLICANT/ASSIGNEE	TITLE	FILING/EXP DATE	STATUS
16/963,894	US	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	22-Jul-20	Published
AU-2019210332	Australia (AU)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	19-Aug-20	Published
CA-3096287	Canada (CA)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	14-Jul-20	Published
EP-3743061	Europe (EP)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	18-Aug-20	Published
IL-275934	Israel (IL)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	9-Jul-20	Published

#### U.S Trademark Applications

No.	Case No.	Status	Applicant	Mark	International Classes	Comments
1.	<b>181.1881.US.ITU</b> 87/902,970 Filed: 5/1/18 Principal register	<b>Allowed</b>	SoRSE Technology Corporation	PEARL2O	<b>IC 032:</b> drinking water; water beverages; bottled drinking water, all of the foregoing containing hemp seed derived products and containing no CBD or THC.	Statement of Use <sup>(1)</sup> or Extension of Time due by 4/6/2023.

	Basis: 1(b)					
2.	<b>181.1885.US.ITU</b> 87/902,978 Filed: 5/1/18  Principal register Basis: 1(b)	<b>Allowed</b>	SoRSE Technology Corporation		<u>IC 005</u> : Medical lubricants, namely, vaginal lubricants; personal lubricants; personal sexual lubricants.	Statement of Use due by 3/3/2023. <b>No more extensions of time available.</b>  Notice of Allowance <sup>(2)</sup> on 3/3/2020.
3.	<b>181.1886.US.ITU</b> 87/902,985 Filed: 5/1/18  Principal register Basis: 1(b)	<b>Allowed</b>	SoRSE Technology Corporation	UTOPIA	<u>IC 032</u> : Sparkling water; flavored sparkling water; flavored water; powders for use in water beverages; all of the foregoing containing hemp seed derived products.	Statement of Use or Extension of Time due by 3/9/2023.  Notice of Allowance on 3/9/2021.
4.	<b>181.1905.US.ITU</b> 87/902,996 Filed: 5/1/18  Principal register Basis: 1(b)	<b>Allowed</b>	SoRSE Technology Corporation	REEB	<u>IC 032</u> : Non-alcoholic beer; non-alcoholic barley flavored drinks; all of the foregoing containing hemp seed derived products and containing no CBD or THC.	Statement of Use or Extension of Time due by 1/12/2023.  Notice of Allowance on 1/12/2021.
5.	<b>181.1906.US.ITU</b> 87/903,001 Filed: 5/1/18  Principal register Basis: 1(b)	<b>Allowed</b>	SoRSE Technology Corporation	PEARL MIXER	<u>IC 032</u> : drinking water; water beverages; bottled drinking water, all of the foregoing containing hemp seed derived products and containing no CBD or THC.	Statement of Use or Extension of Time due by 4/6/2023.  Notice of Allowance on 10/6/2020.
6.	<b>181.2314.US.ITU</b> <b>97/786,860</b> <b>Filed 2/8/2023</b>	<b>New</b>	SoRSE Technology Corporation	MAJOR	TBD	No action required at this time

(1) Statement of Use is evidence that the trademark is being used.

(2) A Notice of Allowance is a written notification from the USPTO that a specific mark has survived the opposition period following publication in the Trademark Official Gazette and has consequently been allowed; it does not mean that the mark has registered yet.

### Registered WA Trademarks

<u>Case No.</u>	<u>Status</u>	<u>Applicant</u>	<u>Mark</u>	<u>International Classes</u>	<u>Comments</u>
881.WA.TM	Registered No. 1078241 Date: 3/8/2018		PEARL20	IC 032: Light beverages.	Renewal Date: <b>3/8/23</b>
882.WA.TM	Registered No. 1078242 Date: 3/8/2018	Technology Corporation	US	3: Wines and Spirits	Renewal Date: <b>3/8/23</b>
883.WA.TM	Registered No. 1078239 Date: 3/8/2018	Technology Corporation	Y APPLE	2: Light beverages.	Renewal Date: <b>3/8/23</b>
885.WA.TM	Registered No. 1078243 Date: 3/8/18	Technology Corporation	ET SWING	5: Pharmaceutical	Renewal Date: <b>3/8/23</b>
886.WA.TM	Registered No. 1078240 Date: 3/8/18	Technology Corporation	IA	2: Light beverages.	Renewal Date: <b>3/8/23</b>
905.WA.ITU	Registered No. 1079270 Date: 1/25/2019	Technology Corporation		2: Light Beverages	Renewal Date: <b>1/25/24</b>

### Foreign Trademark Applications

No.	Case No.	Country/Status	Applicant.	Title	International Class	Comments
1	<b>181.1881.CA.ITU</b> No.1885646 Filed 3/1/18	<b>Canada</b> <b>Registered</b> No.: 1,083,107 Date: 10/2/2020	SoRSE Technology Corporation	Pearl20	<u>IC 032</u> : Aerated mineral water; aerated water; carbonated mineral water; carbonated water; distilled drinking water; effervescent water; flat water; flavoured water; mineral water; sparkling water; soda water; spring water; tonic water; drinking water; bottled drinking water; aerated mineral water, aerated water, carbonated mineral water, carbonated water, distilled drinking water, effervescent water, flat water, flavoured water, mineral water, sparkling water, soda water, spring water, tonic water infused with cannabis; drinking water infused with cannabis; bottled drinking water infused with cannabis	First renewal fee due by 10/2/2030.
2	<b>181.1883.CA.ITU</b> No.1885647 Filed 3/1/18	<b>Canada</b> <b>Registered</b> No.: 1,075,737 Date: 3/23/2020	SoRSE Technology Corporation	HAPPY APPLE	<u>IC 032</u> : Fruit Flavored drinks; fruit flavored carbonated drinks; fruit drinks; fruit flavored drinks infused with cannabis; fruit flavored carbonated drinks infused with cannabis; fruit infused with cannabis.	First renewal fee due by 3/23/2030.
3	<b>181.1885.CA.TM</b> No.1885649 Filed 3/1/18	<b>Canada</b> <b>Registered</b> No.: 1,075,733 Date: 3/23/2020	SoRSE Technology Corporation	VELVET SWING	<u>IC 005</u> : Medical lubricants, namely, vaginal lubricants; personal lubricants; personal sexual lubricants; medical lubricants, namely, vaginal lubricants infused with cannabis; personal lubricants infused with cannabis; personal sexual lubricants infused with cannabis; medical lubricants infused with cannabis.	First renewal fee due by 3/23/2030.
4	<b>181.1905.CA.TM</b> No.1927902 Filed 10/30/18	<b>Canada</b> Allowed	SoRSE Technology Corporation	REEB	<u>IC 032</u> : Non alcoholic beer, non alcoholic barley flavored drinks.	Approval Notice of 6/10/2022
5	<b>181.1906.CA.TM</b> No.1927903 Filed 10/30/18	<b>Canada</b> <b>Registered</b> No.: 1,109,880 Date: 09/21/2021	SoRSE Technology Corporation	PEARL MIXER	<u>IC 032</u> : Water; drinking water, water beverages; bottled drinking water	First renewal due by 09/21/2031
6	<b>181.1949.MA.TM</b> No.1963897 Filed 5/21/19	<b>Canada</b> Pending	SoRSE Technology Corporation	MAJOR	<u>IC 032</u> : Non-carbonated fruit flavored beverages.	Awaiting Examination
7	<b>181.1949.MA.TM</b> Appl No.A0086222 Reg. No. 1474452	<b>EU</b> Registered	SoRSE Technology Corporation	MAJOR	<u>IC 032</u> : Non-carbonated fruit flavored beverages.	Renewal by 5/21/2029



## Personnel

As at the date of this Listing Statement, the Company does not have any employees.

On completion of the Reorganization, the Company will employ John Kueber as the CEO to run its THC Essentials operations in Seattle, Washington. No other employees are anticipated at this time, as the Company outsources the manufacture and shipping of the bottles and labels used by its manufacturing partners to make the Products. The Company may retain a director of marketing and operations assistant as its business develops and revenues become adequate to support an additional employee.

## 2023 Marketing/Operations

In 2023, the Company plans to grow its overall revenues and royalties with the following strategies:

1. *Continue to expand to additional states:* The Company is engaged in discussions with potential partners in Nevada, Illinois, and Michigan and expects to launch its products in those states in early 2023.
2. *Introduce new flavors to existing partners:* Currently, Major's five flavors account for 98% of revenues for THC Essentials. Through the introduction of Major Sleep and Major Awake to Washington, Oregon, Arizona, and Ohio, the Company believes it can increase sales and royalty revenues.
3. *Continue to develop the Major brand:* In recent years, SoRSE has engaged in very little marketing. It invested in budtender education, social media, and some light promotion, but the Company believes that investing in some additional awareness of the Major product will result in greater sales beyond what it invests in promotion.

Business Activity/Milestone	Timeframe	Investment U.S.\$
Expand marketing in existing markets	May 2023	\$10,000/year
Launch Nevada Market	May 2023	\$10,000/year
Launch Michigan Market	May 2023	\$10,000/year
Launch Illinois Market	July 2023	\$20,000/year
Launch additional products to AZ, OH, and OR	July 2023	\$20,000/year
Cannabis store marketing, Social Media Marketing	March 2023 to February 2024	\$50,000/year
Industry events and outreach. awareness building	March 2023 to February 2024	\$50,000/year
Total U.S. \$		\$170,000
Total Canadian \$		\$224,400

\*The Bank of Canada exchange rate for U.S. \$ on June 27, 2023 was 1.32.

The CEO, John Kueber, and the Company have entered into an engagement agreement dated January 4, 2023, effective on the Listing Date, to retain the Mr. Kueber as the CEO of the Company, to appoint him as a director, pay him a monthly salary of U.S.\$10,000, and to grant him 1,790,000 Stock Options, effective on the Listing Date, exercisable at a price of \$0.10 for a term of five years. Mr. Kueber's salary will be paid from the revenue from THC Essentials operations.

## Available Funds and Principal Purposes

Working Capital: As of May 31, 2023, the Company had a consolidated working capital deficiency of approximately \$943,583, comprised of current assets of \$180,789 comprised of cash and cash equivalents of \$153,849, prepaid expenses of \$19,841, and receivables of \$7,099, minus current liabilities of \$1,124,372, comprised of accounts payables and accrued liabilities of \$814,166 and a short-term loan payable of \$310,206. The short-term loan was to pay the Company's operating expenses and the costs of the Reorganization.

Regarding the current liabilities of \$1,124,372:

- (i) \$593,048.61 has been settled by the issue of 1,246,372 consolidated Shares at \$.40 per Share; and
- (ii) \$179,912.49 is being paid in the year following the month after the Listing Date to creditors pursuant to the Payment Plan. The balance of \$45,776.55 due to these creditors will be paid in the second year following the Listing Date.

The balance of the accounts payable and short-term loan is \$277,195.60.

**Available Funds:** After paying a commission of \$106,785, equal to 7% of the funds raised by finders for the Private Placement of \$2,000,000, the net proceeds will be \$1,893,215.

**Principal Purposes** of the estimated available funds are as follows:

<b>Item</b>	<b>Estimated Cost (\$)</b>
THC Essentials Acquisition price paid on the Listing Date	825,000 <sup>(1)</sup>
General and administrative costs (see Table 1 below)	185,400
2023 Marketing/Operations (See "Narrative Description of the Business")	224,500 <sup>(1)</sup>
Creditors on the payment plan	179,912
Balance of current accounts payable and short term loan	277,195
Non current liabilities	53,592
Balance of Reorganization costs and Closing and Listing costs	45,000
Unallocated	102,716
<b>Total</b>	<b>1,893,215</b>

- <sup>(1)</sup> U.S.\$625,000 is due to SoRSE on the Listing Date. The figure of CAD\$825,000 is based on the Bank of Canada U.S. \$ exchange rate of 1.32 on June 27, 2023. The figure of \$224,400 for the U.S. operation for 12 months post Listing is based on the same exchange rate. In the event of a change in the exchange rate these two figures may increase or decrease.

**Table 1**

<b>General and Administrative Expenses of the Company (Consolidated)</b>	<b>Monthly Amount \$</b>	<b>Annual Amount \$</b>
CFO, corporate secretary fees (See " <i>Directors and Executive Officers</i> ")	2,800	33,600
CSE monthly listing fees	1,000	12,000
Legal	1,000	12,000
Audit fees	2,500	30,000
Annual filing fees	150	1,800
Transfer Agent	500	6,000
Seattle office, accounting, misc.	6,000	72,000
Accounting, tax compliance, and bookkeeping services	1,500	18,000
Total	15,450	185,400

**DIRECTORS AND OFFICERS**  
**Name, Occupation and Security Holding**

Name, Position with Company and Province and Country of Residence	Date of Appointment to Office	Principal Occupation for Past Five Years	Shares Held as of the Date of This Listing Statement	Shares Held on Completion of the Reorganization on the Listing Date	% of Shares Held on completion of the Reorganization on the Listing Date
John Kueber CEO and Director  Seattle, Washington	June 12, 2023	CEO of jrny.com 2016-2019 until acquisition by SoRSE in 2019; Executive Vice President and Chief Revenue Officer of SoRSE from February 2019 until September 2022; CEO and director of the Company from June 12, 2023.	1,445,000	1,445,000	3.79%
Harold Forzley CFO Corporate Secretary  British Columbia, Canada	May 4, 2020	Since August 1986, Mr. Forzley has operated Harold Forzley Consulting, which provides accounting services, business plans, and corporate analysis.	0	0	0
John Bell <sup>(1)</sup> Director and Chairman of the Board of Directors  Cambridge, Ontario	June 12, 2023	CEO of Onbelay Capital Inc. from 1995 to present; director of Canopy Growth Corporation from 2014 to 2020; corporate director of several private and public firms. The list of public firms is shown below his name following this table.	500,000	500,000	1.31%
Vahan Ajamian <sup>(1)</sup> Director  Toronto, Ontario	June 12, 2023	Capital Markets Advisor at High Tide Inc. (a Canadian cannabis company still active) from October 2020 to present; CFO & Corporate Secretary of Vext Science Inc. (a U.S. cannabis company still active) from March 2021 to May 2022; Managing Director, Analyst Relations of MedMen Enterprises, Inc. (a U.S. Cannabis company still active) in 2018 and 2019. Equity Research Analyst at Beacon Securities Ltd., providing coverage principally of cannabis stock, still active) from 2014 to 2018.	0	200,000	0.52%
Patrick Gray <sup>(1)</sup> Director Seattle, Washington Chairman of the Audit Committee	December 8, 2015	2015 to present: Director of Pascal Biosciences Inc. 2012 to September 3, 2021 and January *, 2023 to February *, 2023, CEO of Pascal Biosciences Inc.	1,760,175	1,760,175	4.61%

<sup>(1)</sup> Member of Audit Committee.

The term of office of the directors currently expires every year at the time of the Company's annual general meeting. The term of the office of the officers expires at the discretion of the Company's directors subject to any contractual terms.

### **Aggregate Ownership of Securities**

The directors and officers of the Company, as a group, currently beneficially own, directly, or indirectly, 3,705,175 Shares representing 10.24% of the current issued and outstanding Shares of the Company. On completion of the Reorganization, the directors and officers as a group will own 3,905,175 Shares, representing 10.24% of the issued and outstanding Shares. On a fully diluted basis, assuming all 2,730,000 options are exercised, they will own 6,635,175 Shares representing 12.85% of the issued and outstanding Shares of the Company.

### **Management Experience**

The following is a brief description of the management and key personnel of the Corporation.

#### **John Kueber, Age 51 – CEO and Director**

In 1993, John Kueber was granted a B.A. from the University of Washington and completed the Canadian Securities Course.

John Kueber served as the Executive Vice President and Chief Revenue Officer for SoRSE from February 2019 until September 2022. During this time, he has been responsible for securing numerous licensing and revenue opportunities for the company, generating in excess of \$20,000,000 in revenues.

He has also founded, operated, and secured acquisitions for numerous early stage companies, including the following:

- Superbuild.com, Inc. (acquired by Hardware.com Inc. / Onvia Inc); Founder/CEO 1997-1999. Onvia was acquired by Deltek.
- Lucernex.com (acquired by Accruent Inc.); CEO 2000-2001. Accruent is still operating.
- Speechforms Inc. / Spoken Inc. (merged; acquired by Avaya Holdings Corp); Founder/CEO, 2001-2005. Avaya is still operating as a leader in the telecommunications industry.
- K Media Inc. (DBA Urban Pages Media; acquired by Tiger Oak Media Inc.) Mr. Kueber was the Founder/CEO from 2005 to 2008. Tiger Oak Media Inc. operated until 2021 and sold its assets to various parties.

From 2015-2018, Mr. Kueber was an interim CEO at several companies helping with turnarounds (Purehome.com, [jrrny.com](http://jrrny.com)).

From 2016 to 2019, he was CEO of [Jrrny Inc. \(a proprietary social media and influencer platform, jrrny.com\)](http://jrrny.com). In 2019, he sold Jrrny Inc. to SoRSE and became its Chief Revenue Office / Executive Vice President.

Mr. Kueber has not previously been a director or officer of a Reporting Issuer.

### **Employment Agreement**

The Company and Mr. Kueber have signed a retainer letter dated December 29, 2022. Upon listing on the CSE, Mr. Kueber has agreed to a monthly salary of U.S.\$10,000, which he has agreed will be paid from the revenue from THC Essentials. As a result, it is not included in the general and administrative expenses of the Company. If there is no revenue, he will not be paid. He has also been granted 1,790,000 Stock Options to acquire 1,790,000 Shares at a price of \$0.10 per Share for a term of five years, to be effective post-closing of the Private Placement and THC Essentials acquisition on the Listing Date.

Mr. Kueber plans to spend 100% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

### **Harold (“Hardy”) Forzley, Age 70 – CFO, Corporate Secretary**

Mr. Forzley was granted a B.A. Commerce from Simon Fraser University, located in Burnaby, B.C., on May 1, 1978. He was licensed as a Certified Professional Accountant by the Chartered Professional Accountants of British Columbia in December 1980. Since August 1986, he has operated Harold Forzley Consulting, which provides accounting services, business plans, and corporate analysis.

Mr. Forzley plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

#### **Other Reporting Company Experience**

Mr. Forzley is and has been a director and officer of other reporting companies operating in a variety of industries, as listed below.

<b>Name of Reporting Company</b>	<b>Name or Exchange or Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Pacific Cascade Minerals Inc.	TSX.V	Director and President	December 2006	
Cabbay Holdings Corp.	CSE	Director	July 2018	February 2020
Grande Portage Resources Ltd.	TSX.V	Director and CFO	September 2006	April 2016
South Star Mining Corp.	TSX.V	Director	September 2005	December 2012
Canada Strategic Metals Inc.	TSX.V	Director	May 2010	November 2012

#### **Non-Management Directors**

##### **John Bell, Age 75 – Director Cambridge, Ontario**

Mr. Bell earned a degree in Business at the Ivey School at Western University in 1970. Mr. Bell earned his CPA in 1973 and his FCPA in 2008. He earned his ICD.D designation from the Institute of Corporate Directors in 2012.

He is Chairman of Stack Capital Inc., a TSX-listed company investing in later-stage, pre-public private companies. He is Chairman of Pure Jamaican Limited, a producer of medical pharmaceutical cannabis for export. From 2014 to 2020, he was a BOD member and Chair of Canopy Growth and Canopy Rivers. He was founder, owner, and CEO of Shred-Tech Inc., a global manufacturer of shredding and recycling equipment and creator of the mobile shredding industry. He was owner and CEO of Polymer Technologies Inc., a global manufacturer of auto parts. He was Chairman and principal shareholder of BSM Technologies Inc. (TSX), a fleet management company, He was CEO and director of ATS Automation (TSX), with 23 global plants. A believer in community service, John has contributed to numerous organizations, including Cambridge Memorial Hospital (Chairman), Waterloo Regional Police (Chairman), Waterloo Region Prosperity Council (Chairman), and Crohn’s and Colitis Canada (National Secretary). He is currently a Governor of the Stratford Festival.

He has been granted 250,000 Stock Options, effective on the Listing Date, to acquire 250,000 Shares at an exercise price of \$0.10 per Share for a term of five years.

## Other Reporting Company Experience

Mr. Bell is and has been a director of other reporting companies operating in a variety of industries, as listed below.

Name of Reporting Company	Position	Name or Exchange or Market	From	To
Stack Capital Inc.	Chair	TSX	April 2021	
Cure Pharmaceuticals Holding Corp.	Director	OTCQX	Nov. 2019	July 2022
Hexo Corp.	Chair	TSX	Dec. 2021	Feb. 2022
Canopy Growth Corporation	Director	TSX	Oct. 2014	March 2020
Canopy Rivers	Director	TSXV	May 2018	July 2019
Canopy Rivers	Director, Chair	TSX	July 2019	Sept. 2020
DelMar Pharmaceuticals	Director	NASDAQ	Feb. 2013	June 2020
Strongco Corporation	Director	TSX	July 2010	March 2019
NeutriSci International Inc.	Director	TSXV	April 2016	August 2016
Reliq Health Technologies Inc.	Director	TSXV	March 2015	June 2015
BSM Technologies Ltd.	Director	TSXV	Feb. 2006	May 2014

Mr. Bell plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

### **Vahan Ajamian, Age 43 – Director Toronto, Ontario**

Mr. Ajamian received his Chartered Financial Analyst (CFA) designation in 2013 from the CFA Institute headquartered in Charlottesville, Virginia, and his CPA designation from the Ontario Society of Chartered Professional Accountants in 2005. He earned a B. Commerce in 2002 from Trinity College, University of Toronto, and an IB diploma and OSSD in 1998 from Upper Canada College in Toronto, Ontario.

Mr. Ajamian has held the following positions:

- CFO & Corporate Secretary of Vext Science Inc. (a U.S. cannabis company still active), from March 2021 to May 2022;
- Capital Markets Advisor of High Tide Inc. (a Canadian cannabis company still active) from January 2020 to March 2021;
- Managing Director, Analyst Relations of MedMen Enterprises, Inc. (a U.S. Cannabis company still active) in 2018 and 2019;
- Equity Research Analyst at Beacon Securities Ltd., providing coverage principally on cannabis stocks (still active), from 2014 to 2018;
- Equity Research Associate at TD Securities from 2006 to 2013; and
- Senior auditor at KPMG LLP from 2002 to 2006.

## Other Reporting Company Experience

Mr. Ajamian is and has been an officer of other reporting companies operating in the cannabis area as listed below:

Name of Reporting Company	Position	Name of Exchange or Market	From	To
Vext Science Inc.	CFO	CSE	March 2021	May 2022
High Tide Inc.	VP Capital Markets	TSXV	October 2020	March 2021

He has been granted 200,000 Stock Options, effective on the Listing Date, to acquire 200,000 Shares at an exercise price of \$0.10 per Share for a term of five years.

Mr. Ajamian plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

### **Dr. Patrick Gray, Age 71 – Director** Seattle Washington

Dr. Gray received a B.Sc. Biology in 1971 from the University of Oregon, located in Eugene, Oregon, and a Ph.D. Chemistry in 1978 from the University of Colorado in Boulder, Colorado.

From 2015 to the present, he has been a director of the Company. From 2012 to September 2021 and from February 11, 2023 to April \* 2023, he was CEO of the Company.

Dr. Gray has 119 published papers in his field of expertise and holds over 40 patents spanning more than 20 different technologies.

Mr. Gray plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.