

VEXT SCIENCE, INC.
4152 N. 39th Avenue
Phoenix, AZ 85019 USA

CHANGE OF AUDITOR NOTICE

To: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Prince Edward Island Securities Office
Government of Newfoundland and Labrador Financial Services Regulation Division

And To: Reliant CPA

And To: BF Borgers CPA PC

Re: **Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102**
Continuous Disclosure Obligations (“NI 51-102”)

Notice is hereby given pursuant to section 4.11 of NI 51-102 of a change of the auditor of Vext Science, Inc. (the “**Company**”) from BF Borgers CPA PC (“**BF Borgers**”) to Reliant CPA (“**Reliant**”) as auditors for the Company.

On March 8, 2024, BF Borgers resigned as auditors of the Company on its own initiative, and the Board of Directors of the Company accepted such resignation. On the recommendation of the Audit Committee, the Board of Directors approved a proposal to engage the accounting firm of Reliant as auditors for the Company. The Company will ask that the shareholders of the Company ratify the appointment of Reliant at the next annual meeting of the shareholders of the Company.

BF Borgers did not express any modified opinion in its auditor’s report for the financial statements of the Company relating to the period during which BF Borgers was the Company’s auditor.

The Company has requested BF Borgers and Reliant to each furnish a letter addressed to the securities administrators in each province in which the Company is a reporting issuer stating whether or not they agree with the information contained in this notice. A copy of each such letter will be filed with this notice.

On October 22, 2023, the Company became aware of an engagement findings report dated October 12, 2023 (the “**CPAB Report**”) from the Canadian Public Accountability Board (“**CPAB**”) with respect to work completed by BF Borgers on the Company’s audited financial statements for the year ended December 31, 2022 (the “**2022 Statements**”). In addition, on December 7, 2023 CPAB issued an enforcement report (the “**Enforcement Report**”), a copy of which can be accessed [here](#), which identified multiple significant inspection findings, each of which constitute a separate Violation Event (as defined in the Rules of CPAB). The various enforcement actions imposed on BF Borgers included that the firm is prohibited from accepting Canadian reporting issuers as clients and is prohibited from assigning a certain unnamed partner to audits of financial statements of reporting issuers in any Canadian jurisdiction in which the unnamed partner is not properly licensed to provide public accounting services by the relevant provincial Chartered

Professional Accountant regulatory body. These enforcement actions were a factor in BF Borger's resignation.

The Audit Committee has received and reviewed a copy of the CPAB Report, which detailed a variety of significant findings in relation to CPAB's inspection of the audit of the 2022 Statements. A summary of the findings in the CPAB Report that may affect the assurances placed on the 2022 Statements is set forth in Appendix A.

The Company has delivered a copy of the CPAB Report and Enforcement Report to Reliant.

The CPAB Report also states that:

“A significant inspection finding identified by CPAB is defined as a significant deficiency in the application of generally accepted auditing standards related to a material financial balance or transaction stream where the audit firm must perform additional audit work in the current year to support the audit opinion and/or is required to make significant changes to its audit approach. CPAB requires the audit firm to respond in writing to all significant inspection findings.

In responding to most significant inspection findings, the audit firm usually performs additional audit work to be satisfied the issued audit opinion remains appropriate.

If a potential material error in the [reporting issuer's] financial statements is not identified, the audit firm would report the written communications required by the Protocol to the audit committee at its next scheduled meeting. If a potential material error is identified, the audit firm will advise the [reporting issuer], including its audit committee, on a priority basis.”

BF Borgers was required to provide a written response to CPAB and has advised the Company that it provided such response. As of the date hereof, the Company is not aware of any requirement to restate the 2022 Statements. The Company intends to promptly respond to any information requests by BF Borgers with respect to any applicable remediation plan.

The fact of the CPAB Report, the underlying findings as set forth in Appendix A, the Enforcement Report and the outstanding remediation actions, if any, is an “unresolved issue” constituting a “reportable event” pursuant to NI 51-102 as it could have a material impact on the auditor report provided on the 2022 Statements. The Audit Committee has discussed the CPAB Report with BF Borgers and authorizes BF Borgers to respond fully to inquiries by Reliant concerning the CPAB Report and the Enforcement Report.

Reliant has provided an oral “consultation” (as such term is defined in NI 51-102), which is a “reportable event” (as such term is defined in NI 51-102), with respect to the CPAB Report and the impact on the scope of the audit for the Company's fiscal year ended December 31, 2023. Pursuant to such consultation, Reliant has advised that it agrees with the Company's determination of the impact on assurances placed on the 2022 Statements as set out in Appendix A; however, Reliant expects to perform additional procedures on year-end 2022 balances and transactions and/or may modify its independent auditor's report to the extent that may be necessary. Other than as set out elsewhere herein, neither Reliant nor the Company has consulted with BF Borgers with respect to such matters.

[Signature Page Follows]

Dated this 8th day of March 2024.

VEXT SCIENCE, INC.

Per *(s) "Trevor Smith"*

Name: Trevor Smith

Title: Chief Financial Officer

Appendix A

Topic	Significant Findings	Impact on Assurance Placed on the 2022 Statements
Acquisitions	<p>For the year ended December 31, 2022, the Company completed two acquisitions that were treated as asset acquisitions. The engagement team used a fully substantive audit approach. Sufficient appropriate audit evidence was not obtained to support the accounting for the acquisitions. Specifically, an analysis was not performed to support the accounting for: (i) the transactions as asset acquisitions versus business combinations and (ii) the settlement of the pre-existing relationships between the Company and the two acquired entities.</p> <p>Further, there was insufficient audit evidence over the following:</p> <ul style="list-style-type: none"> • The engagement team did not obtain the signed executed agreements or alternative communication between the parties entering into the acquisitions, in order to understand all relevant terms and conditions. • The engagement team did not obtain an understanding of the Company's processes when entering into acquisitions (including design and implementation of controls in place). • The engagement team used the work of management's expert as evidence to support the valuation of the acquired intangible assets. The engagement team did not assess the appropriateness of management's expert or perform independent audit procedures to test the valuation of intangible assets prepared by management's specialists. • No audit procedures were performed over the remaining net assets acquired. • There was no audit evidence that the engagement team had agreed the disclosures in financial statement note 14, Acquisitions, to the audit working papers. Differences were identified between Note 14 and acquisition workpapers maintained in the audit file. 	<p>As of the date hereof, the Company is not aware of any material impact of this significant finding on the Company's acquisitions as at December 31, 2022 or the assurances placed on the 2022 Statements.</p> <p>Pending additional review, a potential restatement of the Company's acquisitions as at December 31, 2022 is possible.</p>
Revenue and Accounts Receivable, Net	<p>During the year-ended December 31, 2022, the Company reported revenue of \$35.4 million. The revenue was recognized from wholesale, retail, and contract manufacturing sales which included cash sales. Sufficient and appropriate audit evidence was not obtained to address the relevant assertions pertaining to revenue.</p> <p>As of December 31, 2022, the Company's accounts receivable balance totalled \$3.3 million. Sufficient and appropriate audit evidence was not obtained to address the relevant assertions pertaining to accounts receivable.</p>	<p>As of the date hereof, the Company is not aware of any material impact of this significant finding on the Company's revenue and accounts receivable as at December 31, 2022 or the assurances placed on the 2022 Statements.</p> <p>Pending additional review, a potential restatement of the Company's revenue and accounts receivable as at December 31, 2022 is possible.</p>
Biological Assets and Related Impact on the Consolidated Statements of Operations and Comprehensive Income	<p>The Company capitalizes all direct and indirect costs as incurred in relation to the biological transformation of its biological assets between the point of initial recognition and point of harvest. The biological assets are then measured at fair value less cost to sell (FVLCS) up to the point of harvest. At year end, the Company held \$1.2 million in biological assets and recorded an unrealized change in fair value of biological assets of \$(4.8) million and realized</p>	<p>As of the date hereof, the Company is not aware of any material impact of this significant finding on the Company's biological assets as at December 31, 2022 or the assurances</p>

Topic	Significant Findings	Impact on Assurance Placed on the 2022 Statements
	<p>change in fair value of inventory sold of \$2.7 million in their consolidated statements of operations and comprehensive income.</p> <p>Sufficient appropriate audit evidence was not obtained to support key inputs used to estimate the FVLCS at year-end. In addition, sufficient appropriate audit evidence was not obtained to support capitalized direct and indirect costs and hence the related financial statement impacts of unrealized changes in the fair value of biological assets and realized changes on inventory sold.</p>	<p>placed on the 2022 Statements.</p> <p>Pending additional review, a potential restatement of the Company's biological assets as at December 31, 2022 is possible.</p>
Inventory	<p>On December 31, 2022, the Company held inventory of \$12.6 million consisting of raw materials, work-in-progress, purchased and manufactured finished goods. The engagement team assessed all assertions over inventory to be significant risks. However, sufficient appropriate audit procedures were not performed over these balances.</p>	<p>As of the date hereof, the Company is not aware of any material impact of this significant finding on the Company's inventory as at December 31, 2022 or the assurances placed on the 2022 Statements.</p> <p>Pending additional review, a potential restatement of the Company's inventory as at December 31, 2022 is possible.</p>
Laws and Regulations	<p>The Company has vertically integrated cannabis operations in the state of Arizona in the United States. Each state has its own regulatory framework that governs cannabis operations and activities. There was limited evidence in the file to demonstrate that the engagement team performed procedures to assess the Company's compliance with relevant laws and regulations.</p>	<p>The Company does not believe that this significant finding would have a material impact on the assurances placed on the 2022 Statements.</p>
Fraud and Journal Entries	<p>The engagement team did not make required management and audit committee inquiries, specifically related to the Company's fraud risk assessment process, where fraud could occur, and whether the individuals were aware of any fraud alleged or suspected. Other required risk assessment procedures were not completed, including identification of the entity's controls that address fraud risks.</p>	<p>The Company does not believe that this significant finding would have a material impact on the assurances placed on the 2022 Statements.</p>
Supervision and Review	<p>CPAB noted pervasive issues in the audit file where the audit procedures performed, and the extent of evidence obtained could not be determined by our review of the working papers alone. These matters should have been identified and remediated through the supervision and review process at the engagement team level as required by the CAS 220 under section, Engagement Performance. In addition, CPAB was not able to determine the extent of review performed by EQCR.</p>	<p>The Company does not believe that this significant finding would have a material impact on the assurances placed on the 2022 Statements.</p>
Key Audit Matters	<p>The engagement team did not communicate key audit matters in the auditor's report and did not evidence their determination that there were no key audit matters to communicate in the auditor's report. The engagement team did not document and assess the matters that were communicated with those charged with governance that required significant auditor attention in performing the audit.</p>	<p>The Company does not believe that this significant finding would have a material impact on the assurances placed on the 2022 Statements.</p>