



FORM 7

OCTOBER MONTHLY PROGRESS REPORT

Name of CSE Issuer: *MOLECULE HOLDINGS INC. (formerly Everton Resources Inc.)*
(“MLCL” or the “Company”).

Trading Symbol: *MLCL*

Number of Outstanding Listed Securities: 86,235,740

Date: November 5, 2020

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Company, through its wholly-owned subsidiary Molecule Inc. (“Molecule”), continues to work toward commencing production at its cannabis beverage facility in Lansdowne, Ontario, still on track to begin producing beverages in Q4, 2020.

On October 6, 2020, the Company announced that it had received and accepted a pricing offer from the Ontario Cannabis Store (OCS), the largest provincial wholesaler of cannabis in Canada, for 11 new cannabis beverages. The OCS, the single largest buyer of cannabis in Canada, sells cannabis products including cannabis beverages online to Ontario consumers through their ecommerce store. The OCS is also the exclusive wholesaler to all cannabis retail stores in Ontario.

In addition to the completion of Molecule’s facility, Molecule is in the final stages of negotiations for the first group of client-partners. Product launches are expected once beverage trials are completed.

On October 9, 2020, the Company announced that it had signed a binding term sheet with Biolux Natural Health Inc. (“Biolux”) for exclusive production of UbU®, a craft-forward line of CBD-infused sparkling beverages. Molecule will work with Biolux over the coming weeks to execute a definitive agreement. The agreement will set out the terms upon which Molecule will provide product development, licensing, production and distribution services over an exclusive 3 year period. The UbU® brand will be among the first products produced from Molecule’s cannabis beverage facility.

Molecule also signed similar terms sheets with Honest Inc. (DBA “Province Brands”), The Proper Cannabis Company Limited, Ruhe Juice Inc., and Juana Bake Limited. A term sheet was also announced with Hill Street Beverage Company Inc. (“Hill Street”) (TSXV:BEER) to produce select cannabis infused beverages for Hill Avenue Cannabis Co., a wholly owned subsidiary of Hill Street created to manage its business in the legal



cannabis segment. The three year long agreement will include both formulating and manufacturing beverage products using proprietary infusion technologies provided either by Molecule or Hill Street's previously announced Joint Manufacturing Partnership with Lexaria Biosciences (CSE:LXX), once Hill Street's Cannabis Processing Facility has been licensed by Health Canada under the Cannabis Act.

2. Provide a general overview and discussion of the activities of management.

See No. 1

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See No. 1.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

See No. 1.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Company settled \$40,128.90 of outstanding payables through the issuance of 267,526 common shares at a deemed price of \$0.15 per common share. All securities issued in the debt settlement are subject to a statutory hold period expiring four months and one day after the issuance of the common shares.

14. Provide details of any loans to or by Related Persons.

N/A

15. Provide details of any changes in directors, officers or committee members.

N/A

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.



Since the emergence in or about December 2019 of a novel strain of coronavirus (“COVID-19”), the highly contagious virus has spread across the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Since that time in response to the outbreak, governmental authorities in Canada and internationally have implemented various measures with the aim of preventing or limiting further spread of COVID-19. These measures, which have included travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, and social distancing, have, among other things, resulted in widespread business, employment and economic disruptions. The global pandemic continues to rapidly evolve and the ultimate impact of the COVID-19 outbreak is highly uncertain.

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to issues related to labour, processing and supply chain. Molecule has not yet begun production but is implementing or will implement precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, suppliers and consumers, which may adversely impact Molecule’s labour productivity and its supply chains. For example, mandatory or voluntary self-quarantines may limit the staffing of Molecule’s facility. In addition, it’s possible that the COVID-19 pandemic may adversely affect Molecule’s ability to successfully market and sell its products. Although the opposite may be true, sales volumes of cannabis-infused products may be adversely impacted by consumer “social distancing” behaviours. Continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible national or global recession. Due to the unpredictability and scale of the effects of COVID-19, Molecule is unable to accurately estimate the impact or level of materiality of COVID-19 on its business, operations or financial results. Molecule will monitor the situation in order to assess any possible adverse impact on its business, supply chain and customers on an ongoing basis and to determine which measures, if any, will be taken to mitigate such adverse impact.



Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: November 5, 2020

“Philip Waddington”

President & Chief Executive Officer

Issuer Details Name of Issuer <i>MOLECULE HOLDINGS INC.</i>	For Month <i>October 2020</i>	Date of Report YY/MM/D <i>2020/11/05</i>
Issuer Address <i>591 Reynolds Road</i>		
City/Province/Postal Code <i>Lansdowne, ON, K0E 1L0</i>	Issuer Fax No. <i>N/A</i>	Issuer Telephone No. <i>1 (888) 665-2853</i>
Contact Name <i>Philip Waddington</i>	Contact Position <i>President & CEO</i>	Contact Telephone No. <i>1 (888) 665-2853</i>
Email: <i>phil@molecule.ca</i>	Website: <i>www.molecule.ca</i>	