

## FORM 7

### NOVEMBER 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:** December 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. The Company has been on track to begin production by the end of 2020 and still intends to complete its initial production run(s) in December 2020 using materials already in stock. However, a delayed shipment by the Company's intended can supplier (see no. 16 below) has caused Molecule to secure an alternative supplier, whose delivery is not expected to arrive until early January. As such, full scale production is intended to begin in January 2021.*

*The initial production run(s) will satisfy the requirements for Molecule to apply for the sales amendment to its current standard processing licence, which will allow Molecule to begin making sales of cannabis products to provincial retailers, as required under the Cannabis Act and Cannabis Regulations.*

*In addition, on November 26, 2020, the Company announced announce that it had signed a cannabis supply agreement with ABcann Medicinals Inc. ("ABcann" or the "Supplier"), a wholly owned subsidiary of Vivo Cannabis Inc. (TSX: VIVO) (OTCQX: VVCIF) ("VIVO"), enabling Molecule to use Vertosa emulsions for use in its cannabis beverages. ABcann has territory rights to Vertosa emulsion technology and generates the products on site. Vertosa's customized water-compatible solutions are reported to accelerate onset time, prolong shelf-life, increase bioavailability, and improve the taste profile of cannabis-infused products.*

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.

*N/A*

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.

*N/A*

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.

*On November 10, 2020, the Company announced the appointment of Jeff Stoss as Chief Financial Officer of the Company. Mr. Stoss brings more than 20 years of finance experience to his role at Molecule, with a particular specialty in high-growth environments. He is the co-founder and Chief Operating Officer of the outsourced finance services firm, Positive Venture Group Inc. He has previously served as CFO for publicly-traded companies and technology start-ups, as well as within the cannabis industry. Mr. Stoss has professional accountant designations in both Canada and the United States.*

*Mr. Stoss succeeds Brendan Stutt, who served the Company as CFO both before and after its reverse takeover transaction completed on September 16, 2020 (the “RTO”) as well as having served as CFO to Molecule Inc., the Company’s wholly owned subsidiary, both before and after the RTO.*

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.*

*An example of the impact of COVID-19 on Molecule's business (and the beverage industry generally) is a shortage of aluminum cans. It's the Company's understanding, and as reported by canning industry experts, that as a result of a change in consumer drinking habits, leading to more beverages being consumed in homes rather than bars and restaurants, there is increased pressure on the aluminum can market.*

*Molecule will continue to monitor the situation in order to assess the foregoing and any other 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 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: December 5, 2020

"Philip Waddington"  
President & Chief Executive Officer

<b>Issuer Details</b> Name of Issuer <i>MOLECULE HOLDINGS INC.</i>	For Month <i>November 2020</i>	Date of Report YY/MM/D <i>2020/12/05</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 &amp; CEO</i>	
Email: <a href="mailto:phil@molecule.ca">phil@molecule.ca</a>	Website: <a href="http://www.molecule.ca">www.molecule.ca</a>	