



FORM 7

DECEMBER 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: January 5, 2021

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 had been on track to begin production by the end of 2020, intending to complete its initial production run(s) in December 2020 using materials already in stock.

The Company confirmed on December 23, 2020 that it had successfully completed an initial production-scale test run at its Lansdowne facility. This run completes the successful transition from bench-top to full-scale production testing. Production runs begin with water from the purpose built 30,000 L on-site water treatment facility, and proceed through filtration, flavouring, cannabis infusion, beverage chilling, gas management, pasteurization, and canning. Samples were taken during the course of the production and returned favourable results from testing that was performed in the Company’s on-site laboratory. Further third-party and verification testing is also underway.

The initial production run satisfies 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.

As a result of a delayed shipment by the Company’s intended can supplier (see no. 16 below) Molecule is awaiting an order from an alternative supplier, which will allow Molecule to continue test runs and begin full-scale production in January 2021.

In addition:

SQDC LOI

On December 3, 2020, Molecule announced that it had received authorization from



l'Autorité des Marchés Publics (AMP) which enables the Company to potentially obtain contracts with public entities in Québec. The Company also signed a letter of intent with la Société Québécoise du Cannabis ("SQDC"), the public entity which governs all sales and distribution of cannabis in the province.

Having received the authorization from the AMP in November, Molecule will be capable of commercializing its products in Québec, pending receipt of its sales license amendment from Health Canada. This authorization is valid for a duration of three (3) years and can be extended at the end of this term.

The Letter of Intent with SQDC was concluded in conjunction with Biolux Natural Health Inc. for the production and province-wide sales of UbU Blackberry & Juniper Berry sparkling CBD beverage as well as Citrus & Ginger sparkling CBD beverage.

LAUNCH OF HOUSE BRANDS

On December 8, 2020, the Company announced that it had filed a Notice of New Cannabis Product (NNCP) submission to Health Canada for the first SKU of its first in-house brand, KLÖN Beverages (pronounced 'clone'). The first SKU to be launched under the new brand is "KLÖN Terpene Smash". The anticipated launch of the Terpene Smash beverage is February 8th, 2020, pending a 60 day review period by Health Canada.

On December 23, 2020, Molecule announced that it had Molecule filed NNCPs for its second house brand, "52 Saturdays". The first 2 SKUs to be launched under the new brand are "52 Saturdays Espresso Spice Fusion" and "52 Saturdays Hopped Maple Fusion". The anticipated launch of these beverages is February 2021, pending a 60 day review period by Health Canada

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.

See No. 1 with respect to the initial production run and the two (2) initial house brands announced by the Company.

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 with respect to the SQDC LOI.

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.

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.

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 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: January 5, 2021

“Philip Waddington”

President & Chief Executive Officer

Issuer Details Name of Issuer <i>MOLECULE HOLDINGS INC.</i>	For Month <i>December 2020</i>	Date of Report YY/MM/D <i>2021/01/05</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>
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