



**HIGH FUSION INC. PROVIDES AN UPDATE
TO THE MANAGEMENT CEASE TRADE ORDER AND CORRECTION TO NEWS
RELEASE DATED NOVEMBER 26, 2021**

Toronto, Ontario – January 14, 2022 – High Fusion Inc. (“**High Fusion**” or the “**Company**”) (CSE: **FUZN**) provides this bi-weekly default status report in accordance with National Policy 12-203 - *Cease Trade Orders for Continuous Disclosure Defaults* (“**NP 12-203**”). In the Company's initial default announcement of December 16, 2021 (the “**Default Notice**”), the Company announced the delay in the filing of its audited annual financial statements for the first quarter ended October 31, 2021 (the “**First Quarter Statements**”) and related management discussion and analysis and certifications (collectively, the “**Quarterly Filings**”) by the prescribed filing deadline.

As previously announced in the Company's December 31, 2021 press release, the Corporation applied for and was granted a management cease trade order in respect of the delayed Annual Filings (the “**MCTO**”) by the Ontario Securities Commission. The MCTO prohibits the chief financial officer and the chief executive officer from trading in the Company's securities for so long as there are filings that are outstanding under applicable securities laws. The MCTO does not affect the ability of the general investing public to trade in the Company's listed common shares.

The Company confirms that it continues to comply with the MCTO with respect to the interim financial statements for the three-month period ended October 31, 2021 which were not filed by the prescribed filing deadline. The Company anticipates that its interim financial statements for the three-month period ended October 31, 2021, the accompanying management's discussion and analysis and the related CEO and CFO certifications will be filed on or before January 18, 2022.

The Company confirms that since the Default Notice: (i) there is no material change to the information set out in the Default Notice that has not been generally disclosed; (ii) there has been no failure by the Company in fulfilling its stated intentions with respect to satisfying the provisions of the alternative information guidelines set out in NP 12-203; (iii) there has not been any other specified default by the Company under NP 12-203; and (iv) there is no other material information concerning the affairs of the Company that has not been generally disclosed.

The Company will continue to comply with the provisions of the alternative information guidelines under NP 12-203 by issuing bi-weekly default status reports in the form of news releases for so long as it remains in default of the filing requirements set out above.

Press Release Correction

The Company also announced that a press release issued by OutCo Labs Inc. dated November 26, 2021 and titled “Shareholder Files Early Warning Report regarding High Fusion Inc.” referred, incorrectly, to the deemed price of \$0.1407 per multiple voting share issued from the treasury of

the Company, where the correct price was \$1.407 per multiple voting share (reflecting the fact that each multiple voting share is convertible into 10 common shares of the Company).

Below is the corrected news release in its entirety with the relevant updates.

Shareholder Files Early Warning Report regarding High Fusion Inc.

EL CAJON, CALIFORNIA —November 26, 2021 – OutCo Labs Inc. (the "Acquiror"), 8157 Wing Avenue, El Cajon, CA 92020, announced today that the Acquiror has filed an early warning report in respect of the acquisition of multiple voting shares ("MVS") of High Fusion Inc. (the "Issuer"). The MVS were issued in connection with an earnout achieved in connection with a previously closed acquisition disclosed in the Issuer's press release dated September 1, 2021. The Acquiror acquired ownership of 2,684,318 MVS. Each MVS is convertible into ten (10) subordinate voting shares of the Issuer ("SVS") and was issued at a deemed price of \$1.407 per MVS from the treasury of the Issuer.

Prior to the acquisition of the MVS described herein, the Acquiror had ownership and control over 36,923,764 SVS (40.7%) and following the completion of the acquisition, the Acquiror has ownership and control of 63,766,943 SVS, representing approximately 54.3% of the issued and outstanding SVS (in each case assuming the conversion of all securities held by the Acquiror in which the underlying security is SVS).

Prior to the completion of the acquisition described herein, the Acquiror had ownership and control over 3,367,043 MVS (92.9%) and following the completion of the acquisition, the Acquiror has ownership and control of 6,051,361 MVS representing approximately 95.9% of the issued and outstanding MVS.

The Acquiror has a long-term view of its investment in the Issuer and may acquire additional securities of the Issuer including on the open market or through private acquisitions or sell the securities including on the open market or through private dispositions in the future depending on market conditions and other relevant factors.

This news release is issued pursuant to National Instrument 62-103 - The Early Warning System. A copy of the Early Warning Report will appear with the Company's documents on the SEDAR website at www.sedar.com.

About High Fusion Inc.

High Fusion Inc. (formerly Nutritional High International Inc.) is focused on developing and manufacturing branded products in the cannabis industry with a specific focus on flower, pro-rolls, vapes, edibles and oil extracts for medical and adult recreational use. The Company operates and controls licenses in California, Colorado, and Oregon.

High Fusion has manufacturing, retail and grow operations in California through its acquisition of the business of OutCo and owns and operates oil extraction and edible manufacturing facilities in Colorado and Oregon. The Company's brand portfolio includes its award winning FLI™ edibles and vape product, along with a number of new brands including Red Octopus and Dubbi Brothers in addition to the OutCo and Thrive brands recently acquired.

Neural Therapeutics Inc. is a wholly owned subsidiary of High Fusion focused on ethnobotanical drug-discovery and development. Neural Therapeutics is focused on developing products and conducting research on the psychoactive cacti plants with the primary objective to find where the historical use in traditional medicine has proven to be effective and capitalize on the opportunities that can be applied in modern medical and natural health product markets.

For updates on the Company's activities and highlights of the Company's press releases and other media coverage, please visit www.high-fusion.com.

For further information, please contact:

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Caution Regarding Forward-Looking Information:

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR OTC MARKETS GROUP INC., NOR THEIR REGULATIONS SERVICES PROVIDERS HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This news release may contain forward-looking statements and information based on current expectations. These statements include statements regarding the timing of the filing of the Company's financial statements and related documents for the period ending October 31, 2021 and statements regarding the development of the Company's business. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from those implied by such statements. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include but are not limited to: the ability of the Company to finalize all items necessary to publish its financial statements and related documents for the period ending October 31, 2021, the ability of the Company to successfully execute its business plans; legal changes relating to the cannabis and psychedelic industries proceeding as anticipated; and the Company's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date.

The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.

Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; obtaining and maintaining regulatory approvals including acquiring and renewing U.S. state, local or other licenses, the uncertainty of existing protection from U.S. federal or other prosecution, regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, market and general economic conditions of the cannabis sector or otherwise; the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity,

financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and a deterioration of financial markets that could limit the Company's ability to obtain external financing.

A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions, or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking information contained in this press release is expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.