

## FORM 10

### **NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)<sup>1</sup>**

Name of Listed Issuer: High Fusion Inc (the "Issuer").

Trading Symbol: FUZN

Issued and Outstanding Securities of the Issuer Prior to Transaction:

135,364,160 Subordinated voting shares and 6,230,481 Multiple voting shares

Date of News Release Fully Disclosing the Transaction: June 17, 2022

#### **1. Transaction**

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

The Issuer has closed a one-year, secured loan facility in the principal amount of US\$400,000 ("Loan Facility").

The Loan Facility is comprised of three tranches, representing a total principal amount of US\$400,000. The Loan Facility has a term of one year and will accrue interest at 26% per annum. Of the principal amount, US\$326,115.78 has been advanced to the Company and the remaining US\$73,884.22 represents settlement of other obligations. Such other obligations include US\$50,000 portion of a debenture and US\$23,884.22 in expense reimbursement. Notwithstanding the above terms, the Loan Facility is due and payable upon an asset sale by the Issuer.

The Loan is secured by a general security agreement which pledges the Company's interest in the management services agreements associated with the retail operations of San Diego Natural Inc. and Downwind 27 Inc.

---

<sup>1</sup> If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

As part of the Second Loan Facility, the lenders have been granted 2,000,000 subordinate voting share purchase warrants (each a "Warrant"). Each Warrant will entitle the holder to purchase one subordinate voting share of the Issuer at a price of \$.05 and for a period of two years. (Refer to Form 9 dated June 16, 2022).

US\$50,000 of the Loan Facility is with the Issuer's Chairman, a Related Person of the Issuer for the purposes of CSE policies.

In addition, the Issuer has also announced the proposed sale of its San Diego Natural dispensary in Escondido, California ("SDN") for a purchase price of US\$1.6 million in cash. The completion of the transaction remains subject to a number of conditions.

---

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments: .

(a) Total aggregate consideration in US dollars: \$400,000 Loan Facility and US\$1.6 million SDN disposition. .

(b) Cash: US\$326,115.78 Loan Facility and US1.6 million SDN disposition .

(c) Other: US\$73,884.22 in settlement of payables and a debenture outstanding .

(d) Work commitments: \_\_\_\_\_ .

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

arm's-length negotiation

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: NA

---

---

**FORM 10 - NOTICE OF PROPOSED  
SIGNIFICANT TRANSACTION**

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: NA  
\_\_\_\_\_ .

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.): NA

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_ .

(b) Cash \_\_\_\_\_ .

(c) Other \_\_\_\_\_ .

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. .

NA  
\_\_\_\_\_

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ .

## 2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: \_

See item 1 above.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ .

### 3. 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. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated June 16, 2022.

Robert Wilson \_\_\_\_\_  
Name of Director or Senior  
Officer

*signed* \_\_\_\_\_  
Signature

CFO \_\_\_\_\_  
Official Capacity