



June 19, 2019

To our Shareholders:

In the two months since our amalgamation, the Eureka93 team has been laser-focused on meeting significant milestones on our roadmap for the year ahead. We have steadfastly worked towards achieving short-term goals that will accelerate the company's growth as the industry rapidly evolves along with us.

While the delay in certain milestones may have caused some concern, I wanted to give you insight into the progress we are making as we build a pathway for growth in the weeks ahead.

We have appreciated your patience and continued confidence over the last two months as we worked to meet short-term objectives as a newly formed company.

### **Relist**

Following our merger, we anticipated trading again within a short time. Unfortunately, the relisting process has taken longer than we originally anticipated – and communicated to you.

We appreciate that this delay has been frustrating; however, it is important that we thoroughly complete each stage of the process to ensure the company is set up for success. Over the course of the last two months, our team has worked to ensure we adhere to the standards for listing. Once we have a confirmed relist date, we will share the good news with you.

### **Giving Us Room to Breathe - Debt Termination and Convertible Note Agreement**

As we evaluated our business needs in recent weeks, we had to make some important decisions to improve our working capital in the short term. Converting the existing Vitality Natural Health (VNH) LLC indebtedness to Surety Land Development LLC into an unsecured convertible note, and granting Surety warrants were the means we used to achieve this objective.

Closing this agreement gave us more flexibility to invest in scaling our extraction capabilities in order to meet the growing demand for high-grade CBD. In doing so, we have remained focused on our growth, as we strive to reach significant production and sales milestones.

### **Marking Major Milestones**

While the process to relist has been a large area of focus for our team, it has not been the only milestone we are working towards this month.

We have refined our proprietary extraction and isolation process to allow us to consistently produce an industry-leading output of up to 400 litres per day of full-plant extract or the equivalent of up to 240 kilograms per day of CBD (with sufficient biomass). And as we ramp up production, we continue to fulfill contracts for large-scale amounts of CBD isolate powder and full-plant extract with buyers including Tilray. This demonstrates our ability to regularly deliver high-quality product, which will drive revenue in this space.

Significantly accelerating our production is a key priority for the company. Subject to available capital, our objective is to steadily increase our output to deliver 100 kilograms of high-quality CBD isolate powder per day in Q3, and upwards of 200 kilograms per day in Q4.

As we evaluate our business and the industry as a whole, one of the biggest sales challenges that has emerged is that customer demand is rapidly growing, requiring sustainable scale to support the supply chain. The good news is that through the evolution of our business and key learnings we've acquired along the way, we are well positioned to scale production to solve for these industry needs.

While we position ourselves for market leadership in the coming year, we will continue to refine and optimize our processing capabilities so we can expand our business model with consumer brand architecture in the months ahead.

### **Hemp and Cannabis Cultivation License**

In addition to our steady progress across various lines of business, the team also continues working to obtain Health Canada approval of its hemp and cannabis cultivation license application for the Artiva facility in Ottawa. Last month, the day-to-day handling of the file was transferred from Canopy Growth to Eureka93, and our team is diligently working directly with Health Canada in responding to inquiries regarding this application. We will continue to update you on the status of this file in the coming weeks.

### **Moving Forward – We're Growing Up**

As Eureka93 continues to chart its course, we are committed to building momentum through targeted financial, production, sales, and investment milestones. Our team is aggressively working toward delivering on business objectives for the year ahead so we can drive market leadership as a fully integrated life sciences company. We look forward to your continued support as we build on key wins for the company and move into the next phase of our growth.

Sincerely,

David Rendimonti,  
CEO, Eureka 93 Inc.