



LEADERS IN EXTRACTION

CORPORATE PRESENTATION Q2 2020

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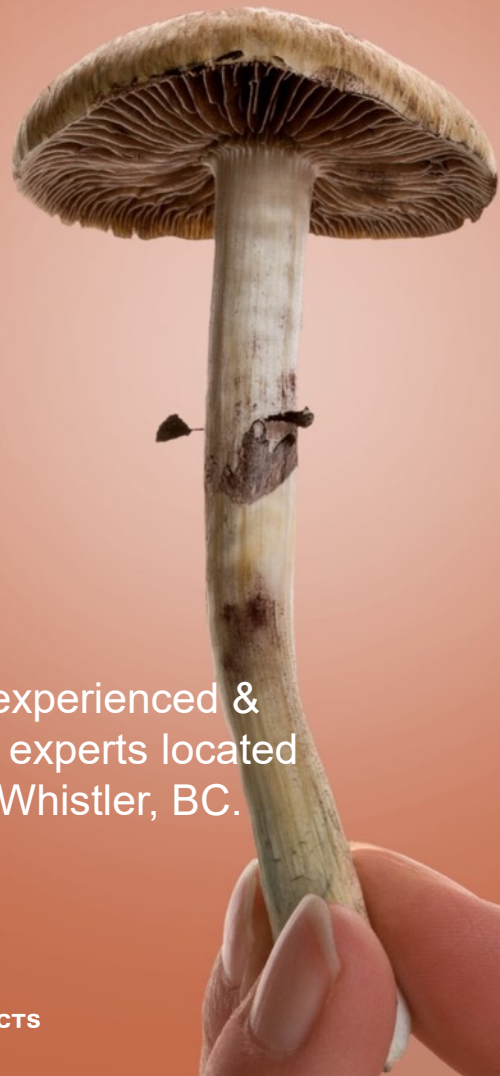
MISSION

Leaders in Extraction

Pure Extracts is positioned to be the dominant extraction company to rapidly develop and commercialize functional and psychedelic medicine products.



WHAT WE DO



We are experienced & qualified experts located north of Whistler, BC.

01

EXTRACTION



02

FORMULATION



03

RESEARCH AND DEVELOPMENT



MARKET OPPORTUNITY



SHIFTING OPPORTUNITY

The burgeoning psychedelic and functional mushroom industries are among the fastest growing and most newsworthy industries in North America.



EXTRACTS TO DRIVE INDUSTRY

Psychedelic research and development and functional mushroom products will require extraction for product development.



EARLY STAGE PENETRATION

There are currently no extraction companies positioned for the new psychedelic and functional mushroom sector. A massive growth opportunity exists to become the industry leading extractor as the industry transitions to extracts from dry biomass.

The extraction market is in its infancy. Pure has experience.

FUNCTIONAL MARKET OVERVIEW

Functional food market is one of the fastest growing CPG sectors

Functional mushroom extracts from species such as Lions Mane, Turkey Tail, Cordyceps, Reishi, Chaga and others offer a multitude of health benefits

Sector is morphing from holistic production practices to extraction based near-pharma grade products

Research is showing benefits such as immune boosting, mental wellness, detoxification, anti-tumor, anti-viral and more

Promising research on combining functional compounds with psychedelic compounds for novel IP

Global mushroom medicinal mushroom market expected to exceed US\$13.88B annually by 2022¹

Immediate Revenue opportunities for Pure Extracts



PSYCHEDELIC MARKET OVERVIEW

Psychedelics have the ability to lead to the next generation of drug discovery and present a brand-new asset class opportunity.

Psychedelic compounds are now being embraced by some of the world's leading medical research and academic institutions to treat depression, PTSD, anxiety, bi-polar, drug and alcohol dependence, obesity, narcolepsy, OCD, Alzheimer's and ADHD.



700MM¹

people estimated in global addressable market



\$10,000

per gram very expensive psilocybin extraction cost



PSYCHEDELIC REGULATORY FRAMEWORK

1st drug, Spravato, FDA approved and anticipates \$1.3B USD in revenue by 2024

USA undergoing state and city-level decriminalization & medicinal approval

Psilocybin legal in Jamaica, Netherlands, Bulgaria, and British Virgin Islands

Similar legalization process as cannabis in 2013

In 2020 FDA grants "breakthrough therapy" status study on treatment-resistant depression. Approvals anticipated 2021.



PRODUCT DEVELOPMENT LANDSCAPE

We have a purpose built facility for licensed extraction.

Psilocybin requires
CDC level bio-
containment to grow

Competitors cannot
grow pharmaceutical
grade

Competitive production
methods are low
volume, non-scalable

Immediate opportunity
as brands pivot to
offering psilocybin but
lack extraction capability

Industry players plan to
undertake clinical trials and
conduct research but need
a source of consistent,
extracted ingredients

BUSINESS DEVELOPMENT STRATEGY

Pure Extracts is positioned to be the premier commercialization and manufacturing partner for functional and psychedelic companies

Initial product lines to focus on functional mushroom products

Pure Extracts will be a critical partner to companies who plan to develop their functional and psychedelic products

Pure Extracts is applying for a Dealers License with Health Canada and once received, will be producing clinical trial samples in an EU GMP environment that will be extracted to the highest quality

Canada's ability to easily export around the world and our GPP facility makes Pure Extracts a natural partner for these psychedelic and functional product companies

NDAs signed with several functional product companies to explore joint development strategies for Q3 product launches



PRODUCT DEVELOPMENT STRATEGY

QUALITY DEVELOPMENT

Pure Extracts' functional and psychedelic product expansion plan will be strategically rolled out in the following phases

PHASE 1

CURRENT PLAN



Tinctures



Soft gels

PHASE 2

Q4 2020



Beverage Formulations



Nasal and Oral Sprays

PHASE 3

H1 2021



Psilocybin Extracts



Psychedelic R&D

COMPETITIVE ADVANTAGE

LEADERS IN EXTRACTION

Knowledge Creates Clear Competitive Advantage

OVER 5 YEARS OF VOLATILE PLANT MOLECULE EXTRACTION



**Experience
is the Difference**

We Know
Product Purity

- 5 Years of volatile plant molecule extraction
- Experience creating multiple successful CPG products and brands
- Highly Technical Expertise
- Bulletproof Methodology through years of production
- First Mover Advantage
- Purpose built EU GMP compliant extraction facility north of Whistler, BC



Eliminate Guesswork: Our proven processes deliver superior extracts

THE PURE IMPACT

First of It's Kind

Nationally Recognized Brand

Pure Pulls illustrates best practice purity in manufactured products that meet or exceed quality expectations

Established goodwill with repeat customers exhibits brand loyalty

Widespread and pre-existing **Canadian Expertise**

Brand equity awareness developed through **event sponsorship** and ongoing **product engagement**

Retail distributor retention with renewal plan in place

Best In Class Technology Investment -
Mass Production Capability



Pure Brand Evolution

Product Innovation is key to Brand Longevity

Pure Extracts promotes product diversity and **will carry, during its initial product offering**, a line of tinctures, vape pens and soft gel capsules.

Future product expansion will include edibles and topicals.

PURE CANNABIS & HEMP LINES OF BUSINESS

- 2 tolling agreements signed for 120,000 kgs of annual capacity
- Exclusive Canadian & international license signed for large US alcohol brand of gummies
- Health Canada Standard Processing License expected end of May
- Immediate high-margin revenue once Health Canada license is received
- Pure Pulls brand re-launch scheduled for Q3/Q4 2020 with high demand from provincial cannabis agencies and near-term Purchase Orders imminent



Pure Brand Recognition

Product Innovation is key to Brand Longevity

THE FACILITY

CENTRALIZED FACILITY FOR PROPRIETARY & WHITE LABELLED PRODUCTION

Current facility of **10,000 sq. ft.**

Phase II Expansion to **25,000 sq. ft.** under development

Building to **EU-GMP standards** for international distribution

Dedicated lab and packaging spaces

Applying for Natural Health Products site license & Dealer's License in June 2020

Modern **CO₂** and **ethanol** extraction capabilities & processes

Designed with growth in mind. **Easily scalable.**



RESEARCH & DEVELOPMENT STRATEGY

Pure Extracts has signed an Advisory Agreement with Dr. Alexander MacGregor, Founder of Transpharm Canada Inc. and the Toronto Institute of Pharmaceutical Technology, one of North America's premier post-graduate institutes of pharmaceutical sciences, technology and research.

Transpharm has a Drug Establishment Licence ("DEL") and its Toronto facility is a fully compliant Health Canada licensed Good Manufacturing Practice ("GMP") manufacturing and testing facility and runs a full-service clinical development business that provides clinical trial services to biotechnology companies.

Dr. MacGregor is also a pharmaceutical science inventor, an expert in pharmaceutical technology and novel drug delivery systems. He is a recipient of several global patents in the field of medical treatments and pharmaceutical drug delivery technologies, most notably from Canada, US, Australia, Europe, Latin America, China, India and Japan. Dr. MacGregor's inventions have led to groundbreaking therapeutic drugs for the treatment cancer, management of diabetes, systemic infections, and post-operative pain.



MILESTONES

2019

Fully funded the expansion of existing facility to 10,000 sq. ft.+

Completed Health Canada High Level Review

Q3

Completion of 10,000 sq. ft. state-of-the-art cannabis extraction facility

Q4

2020

Submitted evidence package to Health Canada

Supply, Tolling and White Label contracts secured with Licensed Producers

Q1

Commence operations & tolling services; signed NDAs with functional product companies

Submission of private label products and Dealers License to Health Canada

Q2

Commence sales of Pure Pulls brands & white label products

Production of functional Mushroom CPG products

Q3

EU GMP Certification

Dealers License & approval for psilocybin trials

Q4

KEY MANAGEMENT

Ben Nikolaevsky

Chief Executive Officer

Mr. Nikolaevsky holds over a decade of experience in corporate leadership roles across the natural products, agriculture and cannabis sectors. Under his recent leadership as President & CEO of Natura Naturals Inc., a private Canadian cannabis licensed producer, the company was acquired by Tilray Inc. Prior to Natura, he was president & CEO of Blue Goose Capital Corp. Mr. Nikolaevsky served as Market Vice President, National Accounts at CIBC and as Chief Credit Officer & Capital Markets Manager at IBM Global Financing Canada.

Doug Benville

Chief Operations Officer, Founder

Doug Benville has over 10+ years of experience in the cannabis space. He is highly proficient in cannabis cultivation, system operations and oil extraction. Mr. Benville has been with Pure Extracts since the company's inception and is the founder of the Pure Pulls, one of the most recognized extract brands in Canada.

Alexander Logie

Vice President of Business Development

Mr. Logie is a serial entrepreneur with 30+ years of experience in the financial services sector. He co-founded Crane Capital and Mercury Capital, both successfully acquired by asset management firms. Mr. Logie recently held the position of interim CFO, acting COO and SVP of Business Development at Natura Naturals Inc., a privately held licensed producer of cannabis that was acquired by Tilray Inc. (Nasdaq: TLRY) at the start of 2019.

Andy Gauvin

Vice President of Sales

Mr. Gauvin is an accomplished, bilingual, senior sales leader that brings over 30 years of experience in the Cannabis & Beverage Alcohol space. Most recently, Mr. Gauvin was the Vice President of Sales with a startup licensed cannabis producer, Natura Naturals. He established relationships with key provincial cannabis customers, developed sales strategies and played an important role in product development. In his previous role as VP of Sales Canada, with Moosehead Breweries, he built & developed a National Sales Strategy that incorporated all of the unique aspects from each province including jurisdiction P&L, formal sales management and built a sales culture that held sales people accountable and focused on results.

Shivani Bhatia

Head of Quality Assurance

Prior to joining Pure Extracts, Ms. Bahtia held a senior position at Whistler Medical Marijuana Corp. handling Quality Assurance work for two facilities. A Health Canada Security Cleared QA professional, Shivani established and enforced GPP, GMP, and Quality Assurance standards. Shivani holds a Bachelor of Science in Biotechnology, a Master of Science in Biotechnology and a post graduate diploma in Pharmaceutical Research.

SUMMARY

FOCUS IS SOLELY ON
EXTRACTION



01

HIGH MARGIN
+ GROWTH



02

NATIONALLY
RECOGNIZED BRAND



03

SCALE



04

NEAR-TERM
REVENUE



05

PREDICTABLE
CASH FLOW



06

M&A AND INTERNATIONAL
GROWTH OPPORTUNITIES



07

Pure Extracts' value proposition is multi-faceted and will drive the extraction market, nationally and internationally



PURITY STARTS HERE. RIGHT IN OUR BACKYARD.

Thank You

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