



ADDENDUM NO. 1

TO

Notice of Extraordinary Meeting of Holders of 10% Senior Unsecured Convertible Debentures Due September 14, 2022

and

Management Information Circular

June 22, 2022

TO: the holders of the 10% senior unsecured convertible debentures maturing September 14, 2022 (“**Debentures**”) of 1933 Industries Inc. (“**Company**”).

This document is Addendum No. 1 (the “**Addendum**”) to the Notice of Extraordinary Meeting of Holders of 10% Senior Unsecured Convertible Debentures Due September 14, 2022 and Management Information Circular (the “**Original Materials**”) which Original Materials were mailed to Holders on or around May 19, 2022, for the extraordinary meeting of Debentureholders which was held on June 9, 2022 and subsequently adjourned.

This Addendum No. 1 should be read in conjunction with the Original Materials previously sent to Debentureholders.

The Addendum is being presented to Holders as the Company has adjourned the previously scheduled Debentureholder meeting to July 13, 2022 (the “**Meeting**”) and is presenting amendments to the previously submitted resolutions which it believes is more in line with expectations of Holders. More specifically, this Addendum amend and replaces the text of certain proposed amendments to the (collectively the “**Debenture Amendments**” and “**Debenture Amendment**” means any of them) to the Debentures as follows:

- (a) Revising the proposed amended conversion price applicable to the Debentures to \$0.05¹ per share (“**Conversion Price**”), being the lowest price at which the Company is permitted to amend the Conversion Price; and
- (b) Revising the proposed extended maturity date for the Debentures to December 31, 2023 (the “**Maturity Amendment**”).

¹ Subject to the approval of the Board and the Canadian Securities Exchange, the Company may, if it deems appropriate, reduce the proposed Interest Conversion Price or Conversion Price to be recorded in the supplemental trust indenture at the time of execution if permitted to do so by the Canadian Securities Exchange.

The proposed Debenture Amendments relating to the conversion of interest and forced conversion remain unchanged and unaffected by this Addendum and continue to be submitted for approval by the holders of the Debentures (the “**Debentureholders**”) as follows:

- (a) to reduce the price per share for interest payments on the Debentures from \$0.10 to \$0.075 per share, if the Company in its sole discretion elects to pay such interest through the issuance of its common shares, (“**Interest Conversion Price**”);
- (b) To amend the price at which the Company may require a forced conversion of the Debentures from \$0.15 to \$0.10 per share, such conversion to be made at the amended Conversion Price of \$0.075 per share;

To Vote for the Debenture Amendments

The Company is also sending out a new proxy with this Addendum for the purposes of adjusting the Conversion Price and Maturity Amendment.

The full text of each of proposed extraordinary resolution relating to the Debenture Amendments is attached to this Addendum No. 1 as Appendix “A”. Each Extraordinary Resolution is enumerated separately. A holder may vote in favor or some but not all of the Extraordinary Resolutions related to the Debenture Amendments as it selects. If some but not all of the Extraordinary Resolutions are approved, the Company may elect to proceed with those of the Extraordinary Resolutions which are approved.

To vote for any of the Debenture Amendments, please mark the "VOTE FOR/CONSENT TO" box with respect to each specific Debenture Amendment on the accompanying form of proxy and sign and deposit such document in accordance with the instructions set out therein as soon as practicable and in any event by 9:00a.m. (Pacific Time) on July 11, 2022, being the date which is 48 hours prior to the date of the Adjourned Meeting.

The Debentures have been issued in the form of global certificates registered in the name of CDS & Co. As such, CDS & Co. is the sole registered holder of Debentures. Accordingly, all Debentureholders do not hold their Debentures in their own name. Such Debentures are held by such Debentureholders through one or more intermediaries (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan). A Debentureholder that has already submitted a proxy may revoke it any time by contacting their financial intermediary through which their Debentures are held for instructions on how to revoke their voting instructions.

Approval of the Debenture Amendments

For the Debenture Amendment to be approved, either:

- holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Debentures, present or represented by proxy at the Meeting, must vote FOR the extraordinary resolution applicable to such Debenture Amendment at the Meeting; or
- holders of at least 66 $\frac{2}{3}$ % of the outstanding principal amount of the Debentures must approve the extraordinary resolution applicable to such Debenture Amendment in writing (“**Written Consent**”) by marking the “CONSENTS TO/VOTES FOR” box in favour of the extraordinary resolution applicable to such Debenture Amendment in the accompanying proxy or voting instruction form and executing and returning it per the instructions on the proxy/voting instruction form, as soon as practicable and in any event no later than 9:00 am (Pacific Time) on July 11, 2022.

The Adjourned Meeting is scheduled to be held virtually, on July 13, 2022 at 9:00 a.m. (Pacific Time). As the original Meeting was adjourned due to a lack of quorum, the quorum for the Adjourned Meeting pursuant to the Debenture Indenture, will be those votes cast at the Adjourned Meeting. The record date, which has been set by the

Board of Directors of the Company as the close of business on May 9, 2022 remains the record date of those Debentureholders entitled to receive notice of, and vote at, the Adjourned Meeting. Each Debentureholder represented by proxy at the Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder.

If any of the Debenture Amendments are approved by the Debentureholders, the Company anticipates that the effective date of the approved Debenture Amendments will be on or about **July 13, 2022**, being the date the Company expects to enter into the supplemental indenture among the Company and Odyssey Trust Company which provides for the approved Debenture Amendments, such indenture to be substantially in the form attached as Appendix "B" to the accompanying Addendum.

Each of the Extraordinary Resolutions authorizes the Company, notwithstanding the approval or adoption of an Extraordinary Resolution by Debentureholders, to amend the terms of the Supplemental Indenture in any manner that does not adversely affect the holders of the Debentures. This may include a further reduction in either the New Conversion Price or the New Interest Conversion Price, if permitted by the Canadian Securities Exchange and determined appropriate by the Company.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE FOR ALL OF THE DEBENTURE AMENDMENTS.

Save and except the amendments to the resolutions as referred to in this Addendum, the Original Materials previously mailed to Debentureholders on May 19, 2022, remains in full force and effect. Your vote is important. Whether or not you attend the meeting of Debentureholders, please take the time to vote your Debentures in accordance with the instructions contained in the accompanying Addendum.

The Meeting

The adjourned Meeting of the Debentureholders will be held virtually on July 13, 2022 at 9:00 a.m. (Pacific Time).

Virtual Meeting

The Company will be holding the Meeting in a virtual only format. Debentureholders will have an equal opportunity to attend the Meeting online regardless of geographic location. As the sole registered holder of the Debentures is CDS& Co., all of the Debentureholders are non-registered and in person voting will not be able to take place at the Meeting.

The Meeting will be held via the Zoom meeting platform. In order to access the Meeting, Debentureholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity. In order to dial into the Meeting, Debentureholders will phone 1 778-907-2071 and enter the Meeting ID and Password noted below.

In order to access the Meeting through Zoom, Debentureholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

https://us02web.zoom.us/j/86418177234?pwd=9qveUBQol_RunA34rfBU4tFyNOulA5.1

Debentureholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 864 1817 7234

Passcode: 015225

It is the Debentureholder's responsibility to ensure connectivity during the Meeting and the Company encourages its Debentureholders to allow sufficient time to log in to the Meeting before it begins.

Recommendation of the Board

The Board of Directors of the Company (the “**Board**”) has unanimously concluded that each of the Debenture Amendments are in the best interest of the Company and, as such, has authorized submission of the Extraordinary Resolutions to Debentureholders for approval. The Board unanimously recommends that Debentureholders vote IN FAVOUR OF ALL of the Extraordinary Resolutions.

DIRECTOR'S APPROVAL

The contents of this Addendum and its distribution to Debentureholders have been approved by the Board of the Company.

DATED at Vancouver, British Columbia, June 22, 2022.

BY ORDER OF THE BOARD

/s/ “Paul Rosen”

Paul Rosen, Chief Executive Officer

APPENDIX "A-1"

CONVERSION RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

- (a) the amendments to the trust indenture between the Company and Odyssey Trust Company ("**Trustee**") dated as of September 14, 2018, , as supplemented by the supplemental indenture to be dated as of June 29, 2020 and as supplemented by No. 2 Supplemental Indenture dated August 20, 2021 ("**Indenture**") governing the 10.0% senior unsecured convertible debentures of the Company due September 14, 2022 ("**Debentures**"), resulting in the reduction to the conversion price applicable to the Debentures from \$0.10 to \$0.05 per share as described in the Addendum and as set forth in the supplemental trust Indenture ("**No. 3 Supplemental Indenture**") substantially in the form attached as Appendix "B" to the Addendum are hereby approved and authorized;
- (b) each of the Company and the Trustee is hereby authorized and directed to execute and deliver the Supplemental Indenture;
- (c) the Trustee is hereby authorized and directed as per the written direction of the Company and its advisors to execute and to cause to be executed on behalf of the holders of the debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the company and its advisors shall determine to be necessary or desirable to carry out the intent of this extraordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this extraordinary resolution has been approved or adopted in writing by the holders of the Debentures, the Company is authorized, without further notice to or approval of the holders of the Debentures, to: (i) amend the terms of the supplemental indenture in any manner that does not adversely affect the holders of the Debentures; or (ii) not proceed with entering into the supplemental indenture;
- (e) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (f) the Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the trustee of such documents or the doing of such other acts or things.

APPENDIX "A-2"

INTEREST CONVERSION RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

- (a) the amendments to the trust indenture between the Company and Odyssey Trust Company ("**Trustee**") dated as of September 14, 2018, as supplemented by the supplemental indenture to be dated as of June 29, 2020 and as supplemented by No. 2 Supplemental Indenture dated August 20, 2021, ("**Indenture**") governing the 10.0% senior unsecured convertible debentures of the Company due September 14, 2022 ("**Debentures**"), resulting in the reduction of the price at which the Company may, if it so elects, to pay interest on the Debentures through the issuance of common shares of the Company from \$0.10 per share to \$0.075 per share, as described in the Addendum to the Information Circular and as set forth in the supplemental trust Indenture ("**No 3 Supplemental Indenture**") substantially in the form attached as Appendix "B" to the Addendum are hereby approved and authorized;
- (b) each of the Company and the Trustee is hereby authorized and directed to execute and deliver the No 3 Supplemental Indenture;
- (c) the Trustee is hereby authorized and directed as per the written direction of the Company and its advisors to execute and to cause to be executed on behalf of the holders of the debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the company and its advisors shall determine to be necessary or desirable to carry out the intent of this extraordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this extraordinary resolution has been approved or adopted in writing by the holders of the Debentures, the Company is authorized, without further notice to or approval of the holders of the Debentures, to: (i) amend the terms of the supplemental indenture in any manner that does not adversely affect the holders of the Debentures; or, (ii) not proceed with entering into the supplemental indenture;
- (e) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (f) the Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the trustee of such documents or the doing of such other acts or things.

APPENDIX "A-3"

ACCELERATED CONVERSION RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

- (a) the amendments to the trust indenture between the Company and Odyssey Trust Company ("**Trustee**") dated as of September 14, 2018, as supplemented by the supplemental indenture dated June 29, 2020, and as supplemented by No. 2 Supplemental Indenture to be dated August 20, 2021, ("**Indenture**") governing the 10.0% senior unsecured convertible debentures of the Company due September 14, 2022 ("**Debentures**"), resulting in the amendment to the price at which the Company may require a forced conversion of the Debentures from \$0.15 to \$0.10 per share, such conversion to be made at the amended conversion price of \$0.075 per share, as described in the Addendum to the Circular and as set forth in the supplemental trust Indenture ("**Supplemental Indenture**") substantially in the form attached as Appendix "B" to the Addendum are hereby approved and authorized;
- (b) each of the Company and the Trustee is hereby authorized and directed to execute and deliver the Supplemental Indenture;
- (c) the Trustee is hereby authorized and directed as per the written direction of the Company and its advisors to execute and to cause to be executed on behalf of the holders of the debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the company and its advisors shall determine to be necessary or desirable to carry out the intent of this extraordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this extraordinary resolution has been approved or adopted in writing by the holders of the Debentures, the Company is authorized, without further notice to or approval of the holders of the Debentures, to: (i) amend the terms of the supplemental indenture in any manner that does not adversely affect the holders of the Debentures; or, (ii) not proceed with entering into the supplemental indenture;
- (e) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (f) the Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the trustee of such documents or the doing of such other acts or things.

APPENDIX “A-4”

MATURITY RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

- (a) the amendments to the trust indenture between the Company and Odyssey Trust Company (the “**Trustee**”) dated as of September 14, 2018, as supplemented by the supplemental indenture dated June 29, 2020, and as supplemented by No. 2 Supplemental Indenture to be dated August 20, 2021, (the “**Indenture**”) governing the 10.0% senior unsecured convertible debentures of the Company due September 14, 2022 (the “**Debentures**”), resulting in the extension of the maturity date applicable to the Debentures from September 14, 2022 to December 31, 2023, as described in the Addendum to the Circular and as set forth in the supplemental trust Indenture (the “**No. 3 Supplemental Indenture**”) substantially in the form attached as Appendix “B” to the Addendum are hereby approved and authorized;
- (b) each of the Company and the Trustee is hereby authorized and directed to execute and deliver the No. 3 Supplemental Indenture;
- (c) the Trustee is hereby authorized and directed as per the written direction of the Company and its advisors to execute and to cause to be executed on behalf of the holders of the debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the company and its advisors shall determine to be necessary or desirable to carry out the intent of this extraordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this extraordinary resolution has been approved or adopted in writing by the holders of the Debentures, the Company is authorized, without further notice to or approval of the holders of the Debentures, to (i) amend the terms of the supplemental indenture in any manner that does not adversely affect the holders of the Debentures or (ii) not proceed with entering into the supplemental indenture;
- (e) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and

the Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the trustee of such documents or the doing of such other acts or things.