

Supplemental Report

SMART CANNABIS CORP.

a Oklahoma corporation
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SIC Code 5499

Supplemental Report
As of this Day of March 28, 2023

The Issuer hereby makes the following Supplemental Report of its newly acquired product operations:

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☒ No: ☐

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcm Markets.com).

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches. As of March 28, 2023, the Company has acquired the Emesyl Plus product line for the manufacturing and sale of a homeopathic anti-nausea nasal spray that is infused with hemp or cannabis oil. A copy of said purchase agreement is attached hereto.

B. List any subsidiaries, parent company, or affiliated companies. None.

C. Describe the issuers' principal products or services.

As of March 28, 2023, the Company has acquired the Emesyl Plus product line for the manufacturing and sale of a homeopathic anti-nausea nasal spray that is infused with hemp or cannabis oil. A copy of said purchase agreement is attached hereto.

Issuer Certification

Principal Executive Officer & Principal Financial Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in this Supplemental Report.

The certifications shall follow the format below:

I, Mark Cheung, certify that:

1. I have reviewed this Supplemental Report for Smart Cannabis, Inc.; and
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement.

March 28, 2023 [Date]

/s/ Mark Cheung [CEO's & CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

ASSET PURCHASE AGREEMENT

This is an Agreement, entered into on March 28, 2023 (the “Effective Date”), by and between Smart Cannabis, Inc, an Oklahoma corporation (“Buyer”) and Itonis Holdings, Inc., a Nevada corporation (“Seller”).

Background

A. Buyer is a public company that is known by the ticker symbol “SCNA” at OTC Markets.

B. Seller is the owner of the Emesyl Plus product line, and it is a wholly owned subsidiary of Itonis, Inc. The closing price of the common stock share of SCNA on this day of March 29, 2023 was \$0.0017 per share.

C. Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, said Emesyl Plus product line.

NOW, THEREFORE, intending to be legally bound, the parties agree as follows:

1. Purchase and Sale of Assets.

1.1 Acquired Assets. Upon the terms and conditions of this Agreement, Seller hereby sells, transfers, assigns, conveys and delivers to Buyer, and Buyer hereby purchases, accepts and acquires from Seller, free and clear of any and all liens or encumbrances of any kind whatsoever, all of Seller’s right, title and interest in and to the following properties and assets (the “Acquired Assets”) (See Exhibits “A” and “B” attached hereto):

1.1.1 Emesyl Plus Product Line.

2. No Assumption of Liabilities. Buyer shall not assume, pay or discharge any liabilities of Seller.

3. Purchase Price and Payment.

3.1 Purchase Price. The purchase price for the Acquired Assets (the “Purchase Price”) shall be One Hundred Forty-seven Million (147,000,000) shares of Buyer’s SCNA common stock shares. Buyer shall deliver said Purchase Price shares within two weeks of this agreement.

4. Closing.

4.1 Time and Place of Closing. The closing of the transactions described in this Agreement “Closing”) shall take place on or about March 28, 2023 or at such other time as the parties may mutually agree (the “Closing Date”).

4.2 Deliveries.

4.2.1 Deliveries by Seller. At Closing, Seller shall deliver to Buyer:

4.2.1.1 Such executed bills of sale, endorsements, assignments, and other good and sufficient instruments of conveyance and transfer, in form and substance reasonably satisfactory to Buyer, as shall be effective to vest in Buyer all of such Seller's right, title, and interest in and to the Acquired Assets, including but not limited to all intellectual and proprietary rights in the Acquired Assets;

4.2.1.2 Such documents, information, and records as necessary for the manufacturing and sale of the homeopathic nasal spray products that are within the Acquired Assets; and

4.2.1.3 Such executed corporate approvals, resolutions, and authorizations, in form and substance reasonably satisfactory to Buyer's counsel, including, but not limited to, approval of the sale of the Acquired Assets by the Seller's governing body.

4.2.2 Deliveries by Buyer. At Closing, Buyer shall deliver to Seller:

4.2.2.1 Such executed corporate approvals, resolutions, and authorizations, in form and substance reasonably satisfactory to Seller's counsel, including, but not limited to, approval of the purchase of the Acquired Assets by the governing body of Buyer.

4.2.3 Form of Delivery. The deliveries described above may be made at Closing by fax or electronic transmission. Upon request by any Party, the parties shall exchange original, "wet ink", fully-executed originals.

5. Further Assurances. At the request of a party from time-to-time, the other party will execute and deliver such further reasonable instruments and will take such other reasonable action more effectively to consummate the transactions contemplated by this Agreement and to put Buyer into ownership, possession, and control of all of the Acquired Assets to the exclusion of all others whose claims may have arisen prior to the Closing Date.

6. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Buyer, each of which shall survive the Closing:

6.1 Approvals. Seller is legally permitted and authorized to consummate this Agreement and the transactions contemplated herein.

6.2 Enforceability. This Agreement and any documents to be delivered under this Agreement are valid and binding obligations of Seller and are enforceable against Seller in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally, and except that the availability of specific performance, injunctive relief or other equitable remedies is subject to the discretion of the court before which any proceeding is brought.

6.3 Title to Assets. Seller has exclusive rights to and good and marketable title to all of the Acquired Assets, free and clear of any and all liens, leases, licenses, claims of others, mortgages, pledges, claims, security interests, conditional sales agreements, charges, options and other encumbrances whatsoever.

6.4 No Consents Required. Seller has the full power and authority to execute, deliver, and perform this Agreement and consummate the transactions contemplated by this Agreement, and such execution and performance does not require the consent or permission of any third party.

6.5 No Violation. Neither the execution or delivery of this Agreement or any documents to be delivered under this Agreement nor their performance by Seller will violate the terms of Seller's Certificate of Incorporation, Bylaws, or other governing instruments, or any agreement, instrument, or decree to which it is a party or by which it is bound.

6.6 Infringement. The sale of the Acquired Assets to Buyer and Buyer's replication and sale of such Acquired Assets in the ordinary course of business will not infringe upon the intellectual property rights or any other proprietary right of any person or entity.

6.7 No Licenses. There are no licenses now outstanding or other rights granted to any person or entity under or in connection with any of the Acquired Assets and Seller is not a party to any agreement or understanding with respect to the use, sale, assignment, or otherwise of the Acquired Assets.

6.8 No Claims. There is no pending challenge or claim asserting the invalidity, misuse or unenforceability of Seller's rights or challenging Seller's right to ownership or use of the Acquired Assets or to transfer and assign the Acquired Assets, and Seller has no knowledge of facts that would support such a challenge or claim.

6.9 No Litigation. There is no litigation, administrative, or governmental proceeding or investigation pending or, to Seller's knowledge, threatened against Seller relating to any of the Acquired Assets, and Seller knows of no facts or circumstances that could reasonably be expected to give rise to any such litigation or proceeding.

6.10 Compliance with Laws. Seller has complied with all applicable laws in the operation of its business and has not received any notice of violation of any law, ordinance, rule, regulation, or order which has a material adverse affect on or, so far as any of them can now reasonably foresee, could reasonably be expected to in the future to have a material adverse affect on the Acquired Assets.

7. Buyer's Representations and Warranties. Buyer hereby makes the following representations and warranties to Seller, each of which shall survive the Closing:

7.1 Corporate Organization. Buyer is duly organized, validly existing, and in good standing under the laws of the State of Nevada and has qualified to do business in each jurisdiction where such qualification is required. Buyer has all requisite corporate power and authority and all necessary licenses and permits to conduct its business as now conducted and to own, lease, and operate the assets and properties now owned, leased, or operated by it.

7.2 Approvals. Buyer is legally permitted and authorized by its members and managers to consummate this Agreement and the transactions contemplated herein.

7.3 Enforceability. This Agreement and any documents to be delivered under this Agreement are valid and binding obligations of Buyer and are enforceable against Buyer in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally, and except that the availability of specific performance, injunctive relief or other equitable remedies is subject to the discretion of the court before which any proceeding is brought.

7.4 No Consents Required. Buyer has the full power and authority to execute, deliver, and perform this Agreement and consummate the transactions contemplated by this Agreement, and such execution and performance does not require the consent or permission of any third party.

7.5 No Violation. Neither the execution or delivery of this Agreement or any documents to be delivered under this Agreement nor their performance by Buyer will violate the terms of Buyer's Certificate of Formation, Operating Agreement, or other governing instruments, or any agreement, instrument, or decree to which it is a party or by which it is bound.

7.6 Completeness. No certificate, statement, schedule, exhibit, or other instrument furnished by Buyer contains an untrue statement of material fact or omits to state any fact that would be necessary to make such certificate, statement, schedule, exhibit, or other instrument not misleading.

8. Mutual Indemnifications.

8.1 Indemnification By Seller. Seller shall defend, hold harmless, and indemnify Buyer and its employees, officers, and managers, and members against all liabilities, damages, losses, claims, judgments and expenses (including reasonable attorneys' fees and related costs) arising from (i) the conduct of Seller's business; or (ii) a breach by Seller of any of the covenants, agreements, warranties or representations contained in this Agreement.

8.2 Indemnification by Buyer. Buyer shall defend, hold harmless, and indemnify Seller and its employees, officers, directors, and shareholders against all liabilities, damages, losses, claims, judgments and expenses (including reasonable attorneys' fees and related costs) arising out of (i) the conduct of Buyer's business; or (ii) a breach by Buyer of any of the covenants, agreements, warranties or representations contained in this Agreement.

9. Miscellaneous.

9.1 Amendments; Waivers. No amendment, modification, or waiver of any provision of this Agreement shall be binding unless in writing and signed by the party against whom the operation of such amendment, modification, or waiver is sought to be enforced. No delay in the exercise of any right shall be deemed a waiver thereof, nor shall the waiver of a right or remedy in a particular instance constitute a waiver of such right or remedy generally.

9.2 Notices. Any notice or document required or permitted to be given under this Agreement shall be deemed to be given on the date such notice is (i) deposited in the United States mail, postage prepaid, certified mail, return receipt requested, (ii) deposited with a commercial overnight delivery service with delivery fees paid, or (iii) transmitted by facsimile or

electronic mail with transmission acknowledgment, to the following addresses or such other address or addresses as the parties may designate from time to time by notice satisfactory under this section:

Buyer:



Seller:



9.3 Governing Law. This Agreement shall be governed by the internal laws of Nevada without giving effect to the principles of conflicts of laws. Each party hereby consents to the personal jurisdiction of the state of California, and agrees that all disputes arising from this Agreement shall be prosecuted in such courts. Each party hereby agrees that any such court shall have in personam jurisdiction over such party and consents to service of process by notice sent by regular mail to the address set forth above and/or by any means authorized by Nevada law.

9.4 Language Construction. The language of this Agreement shall be construed in accordance with its fair meaning and not for or against any party. The parties acknowledge that each party and its counsel have reviewed and had the opportunity to participate in the drafting of this Agreement and, accordingly, that the rule of construction that would resolve ambiguities in favor of non-drafting parties shall not apply to the interpretation of this Agreement.

9.5 No Offer. The submission of this Agreement by any party for the review and/or execution by another party does not constitute an offer or reservation of rights for the benefit of any party. This Agreement shall become effective, and the parties shall become legally bound, only if and when all parties have executed this Agreement.

9.6 Payment of Fees. In the event of a dispute arising under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys fees and costs, provided that if a party prevails only in part the court shall award fees and costs in accordance with the relative success of each party.

9.7 Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed to be a fully-executed original.

9.8 Signature by Facsimile. An original signature transmitted by facsimile shall be deemed to be original for purposes of this Agreement.

9.9 No Third Party Beneficiaries. Except as otherwise specifically provided in this Agreement, this Agreement is made for the sole benefit of the parties. No other persons shall have any rights or remedies by reason of this Agreement against any of the parties or shall be considered to be third party beneficiaries of this Agreement in any way.

9.10 Binding Effect. This Agreement shall inure to the benefit of the respective heirs, legal representatives and permitted assigns of each party, and shall be binding upon the heirs, legal representatives, successors and assigns of each party.

9.11 Titles and Captions. All article, section and paragraph titles and captions contained in this Agreement are for convenience only and are not deemed a part of the context hereof.

9.12 Pronouns and Plurals. All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require.

9.13 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements and understandings.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

Smart Cannabis, Inc. ("Buyer")

By: 

Mark Cheung
CEO

Itonis Holdings, Inc. ("Seller")

By: 

Mark Cheung
CEO

EXHIBIT “A”
ACQUIRED ASSETS

Emesyl Plus

Emesyl Plus is a homeopathic anti-nausea nasal spray infused with hemp or cannabis oil.

The active ingredients in the Emesyl Plus are:

Natrum sulphuricum
Kali phosphoricum
Ipecacuanha
Tabacum
Zingiber officinale

Seller has manufactured and sold Emesyl Plus at Amazon.com.

A sample image of said product is in the following Exhibit “B”.

EXHIBIT “B”

[image attached]

