



C A P I Z A T E

Situation Analysis of:

GBX International Group Inc.

11424 Frances Street
Omaha Nebraska 68144



November 8, 2023

Report Prepared By:

TDS | Tony
Drexel
Smith

Tony Drexel Smith
3370 W Pinks Place, Suite , Las Vegas, NV 89102
Phone: 702-960-2607
Tony@tonydrexelsmith.com

Disclosure Statement

Capizate, Inc., its Advisors, Board Members, and Officers are not and do not represent themselves (or related entities) as an agency, broker-dealer, law firm or as an accounting firm. Capizate, Inc. does represent itself as a group of experienced professional-grade business plan writers, business listing writers, loan packaging specialists, marketing specialists, Pro forma developers, researchers, Funding Portal Operators and business consultants. At all times Capizate, Inc. makes every effort to present accurate and reliable information regarding its services, which are based on the information provided by its clients for review and analysis by its team of experts. There is no guarantee that a positive Capizate Score™ results in a successful investment. Any and all legal or accounting summaries presented should be checked by qualified legal and accounting counsel.



C A P I Z A T E

November 8, 2023

GBX International Group Inc.
Cannabis Science, Inc.
Raymond C. Dabney
11424 Frances Street
Omaha Nebraska 68144
raymond.dabney@americanstatesuniversity.com,
778-288-1389

Enterprise Name: GBX International Group Inc. / Cannabis Science, Inc.

Dear Mr. Dabney,

Thank you for engaging Capizate, Inc. to complete the capital qualification, due diligence, documentation, presentation, and investor relations process. This letter is the third in a series of that you will receive as we engage with you and your business. As we progress through the seven phases, we will update this letter. Your current phase in our process is phases three (Situation Analysis), four (Due Diligence Score), and five (Business Finance Documents – Specifically the analysis) the potential valuation. After our two initial introductory meetings and analysis of the twenty-five documents uploaded to our data room, our assessment of your situation is as follows:

Situation

GBX International Group [GBXI] is a Pink Sheet which is traded through a dealer network over the counter (OTC). The company currently falls under 'Nano-Cap' category with a current market capitalization of 159K. The company's stock is currently selling at \$0.0002 per share. Technically registered, GBX International conducts business under the Communication Services sector and is part of the Advertising Agencies industry. However, the business is focused on the cannabinoid space through a business known as Cannabis Science, Inc. (A prior public company sanctioned by the SEC which is now a privately held enterprise). Cannabis Science is raising \$2.5 Million (\$1.5 Million immediate and \$1 Million follow on) to complete clinical trials of its cancer treatment cannabinoids. The company has other assets and subsidiary companies that are nonoperational, but have promise, such as the American States University.

Strengths

Cannabis Science developed endorsements, collaborations, agreements and formal strategic partnerships stemming from 2017-2019 with Harvard University and other prominent organizations for the development of a series of cancer treatments. Specifically:

1. Nanoparticle Drones to Target Lung Cancer with Radiosensitizers and Cannabinoids; 2018 Harvard Global Health Catalyst Summit Invitation and Award;
2. A patentable formulary cannabinoid medication to treat Asthma /COPD Overlap Syndrome;
3. In conjunction with University partners, a cannabinoid- based formulary to treat chronic pain;
4. Cannabis Inhalation Aerosol – AC Drone Technology
5. The Company’s Nevada entity has been confirmed as current and properly filed as of June 30, 2023 (GBX INTERNATIONAL GROUP, INC. Entity Number: C13020-1997; Status: Active; Formation Date: 06/19/1997 NV Business ID: NV19971199937.

Areas for improvement

1. The business documents, agreements, term sheets, engagements are all dated in 2017-2018 and need to be updated
2. Ownership and control of the intellectual property needs to be defined and confirmed
3. A similar entity has active registration with California Secretary of State. The Company has a different address than on the Company website and also had a Statement of Info due to the California Secretary of State on 05/10/2023. Registered with the California Secretary of State as a Non-Profit Nonprofit Corporation - CA - Mutual Benefit. This will need to be defined.

Capizate Score

The estimated funding feasibility Capizate Score™ is 623 (Out of 1,000)

Most Probable Capital Types

Private Equity, Simple Agreement For Future Equity (S.A.F.E.)
Accredited Investors through a Regulation D 506C on DealMaker.tech

Documents to be completed

Pro forma; Business Plan, updated deck, S.A.F.E and PPM

Recommended next steps

Corrections as defined in the areas for improvement listed above and documentation.

Respectfully Submitted,
Tony Drexel Smith

- Exhibits:
- (1) Our Process
 - (2) Variables & Factors to Determine Capital Type
 - (3) Eleven Elements of Qualification
 - (4) Estimated Capitate Score™
 - (5) Document Checklist
 - (6) Recommended Capital

THE CAPIZATE PROCESS

Phase 1 - Referral

- ✓ 20 Minute Introductory Meeting
- ✓ Capizate Staff available at no cost for the 20-minute introductory meeting

Phase 2 - Data room setup

- ✓ Capizate Staff will prepare the data room
- ✓ Provide assistance to client representatives
- ✓ Confirm documents are ready for review
- ✓ Client interview is scheduled to complete the SA

GBXI Client Provided Materials

1. 1mmStrong_TV_GBXI_ASU_CSi-EDP.pdf
2. 4PKG_Harvard_GHC_Invite_Award_Dabney.pdf
3. 7PKG_CBIS_Harvard_Frontiers_Oncology_Article_September_2017.pdf
4. ASU-Consortium-Brochure_Mar12.pdf
5. ASU_Hemp_Project_Presentation_Oct18_2018.pdf
6. ASU_Hemp_Project_Pull_Up-3.pdf
7. Cannabis_Science-Consortium.pdf
8. CBIS DFCI Research Agreement_A12795_Effective 19 October 2018.pdf
9. CBIS DFCI Research Agreement_10928_Effective 27 April 2017.pdf
10. CBIS DFCI Research Agreement_A11239_Effective 31 January 2018.pdf
11. CBIS Harvard Presentation_draft_v12.pdf
12. CBIS_Brochure_May_22_2019.pdf
13. CBIS_Cancer_Treatment_Success.pdf
14. CBIS_FDA_Product_Pipeline_vB.pdf
15. CBIS_Frontiers in Oncology Article_April 2018.pdf
16. CBIS_GHC_Summit_2018.pdf
17. CBIS_GHC_Summit_PPT_Oct_24_2017_v1.pdf
18. CBIS_PANC_S4LC_Numbers.pdf
19. CSi-EDP-FSO_NAC_20_Acres_Nev_Overhead_View.jpeg
20. CSi-EDP_DD_Partener_Program_Nov_2022.pdf
21. CSi-Partner_CRADA_Oct_09_2023.pdf
22. Frontiers1_1_FULL_Capture.JPG
23. Frontiers2_1_FULL_Capture.JPG
24. Lincoln_Projections.pdf
25. RCD_CBIS_PhytoSession_GHC_2019.pdf

Phase 3 - The Situation Analysis (SA)

- ✓ SA is the first document completed for all clients
- ✓ The deliverable includes an estimated Capizate Score™
- ✓ The SA is completed in 5-7 business days by Capizate or the Licensed Advisor

Phase 4 - Capizate Score™

- ✓ 334 Attributes to be analyzed in five sections and 25 subjects
- ✓ Due diligence designed to determine if the enterprise has earned a Score of 925, or higher

- ✓ 78% Accurate in predicting success & failure of enterprises since 2008
- ✓ Capizate Staff will complete the Capizate Score™ with 7-10 business days

Phase 5 - Business Finance & Presentation Documents

- Capizate Score™ updated through the process
- 1-Page Tear Sheet
- Pro forma Forecast
- Business Model Canvas
- Business Valuation
- Capitalization Plan
- Presentation Deck
- Market Feasibility Study

Phase 6 - Capital Markets

- Qualify for Capizate By-Monthly Zoom Investor Presentations
- Create Content, Social Media, Videos, Podcast
- DealMaker Platform Setup
- Investor Marketing Campaign
- SEC/FINRA Filings
- Compliance
- Launch Fundraise Campaign
- Average Cost is 50,000 to raise 5,000,000
- Capizate may, in some circumstances, negotiate a payment plan

Phase 7 - Post Capitalization

- Monthly Retainer including data room fees, app fees, Score updates

VARIABLES & FACTORS FOR DETERMINING CAPITAL TYPE

1. What is the Stage of Business Development?
 - Distressed
 - Formation
 - Start-Up
 - Growth
 - M & A
 - Preparing for Public

2. Amount of Capital being sought **\$2.5 M**
How many tranches (If applicable) **two**
Over what period of time?

3. Use of Capital (Check all that apply)
 - Startup - Working
 - Growth Scalability
 - Marketing & Sales
 - Cash Flow Capital
 - Human Capital
 - Equipment
 - Mergers & Acquisitions
 - Inventory
 - Real Estate

4. What level of capital Risk Tolerance of the Lender and/or Investor is required?
 - Low Risk Tolerance (Very Low Risk tolerance, expect to at least recoup principle)
 - Medium Risk Tolerance (Can lose some or most of the funding)
 - High Risk Tolerance (Can lose most or all of the funding)

5. What is the level of Capital Cost tolerance of the Founder/Entrepreneur/Principle:
 - Low Cost of Capital (1-4%)
 - Medium Cost of Capital (5-10%)
 - High Cost of Capital (11-18%)
 - Very High Cost of Capital (19%+)
 - As long as the enterprise receives the net amount it needs, the cost is immaterial

6. Entity Type
 - To be determined (None)
 - Sole Proprietor
 - Limited Liability Company
 - Limited Partnership
 - General partnership
 - S Corp
 - C Corp
 - Other

7. Industry Type

- ✓ Administration
- ✓ Agriculture
- ✓ Arts
- ✓ Entertainment
- ✓ Finance
- ✓ High tech
- ✓ Hospitality, F & B
- ✓ Info Services
- ✓ Mining Energy/Utilities
- ✓ Professional Insurance/Mgmt.
- ✓ Real Estate
- ✓ Science - Health - Medicine
- ✓ Trades - Construction
- ✓ Transportation
- ✓ Waste Management
- ✓ Wholesale & Retail

8. Repayment Period

- 3 Months
- 6 Months
- 1 Year
- 2 Years
- ✓ 3 Years
- 4 Years
- 5 Years
- 5 Years +

9. Annual Return on Investment

- 4%
- 6%
- 8%
- 10%
- 12%
- 15%
- 20%
- ✓ 25%+

10. Exit Strategy

- Legacy Business
- Merger & Acquisitions
- Build & Sell
- Repurchase Equity
- Reverse Merger
- ✓ Public Offering

11. If a Debt transaction

How Much Collateral is Readily Available?

What is the Principals' Range of FICO Score?

ELEVEN ELEMENTS

There are eleven elements required to gain access to capital for a startup enterprise, growth enterprise, or the development of a valuable innovation opportunity. These include:

1. The business and its products or services fill a gap, a void, or a need within a market; often referred to as the “value proposition” (why);
2. A clearly defined product or service (what);
3. Timing in alignment with market acceptance, market demand, along with micro and macroeconomic factors (when);
4. A defined business finance audience with the right level of suitability, risk tolerance and availability of capital led by an experienced team with a verifiable track record (who);
5. A process by which to follow the guidance of trained professionals that will implement legal, accounting, proof of concept, finance, documents, management and technology to operate the business (how);
6. Proper due diligence, research, and presentation materials, prepared for the right audience;
7. “Luck” – or some manifestation of tipping points that may include the law of attraction, prayer, meditation, or some connection to the universe that will align the stars of prosperity;
8. References, citations, footnotes along with a bibliography have been provided for substantive claims made by the enterprise;
9. A Capizate Score™ of at least 925;
10. If the enterprise has been in operation for more than 12 months, current financial statements and tax returns, prepared by a professional (accountant or CPA), must be included to become “vetted.” If a startup, or an enterprise has been in operation less than 12 months, then no financial statements or tax returns will be required to become “vetted”;
11. The supporting documents identified within the Capizate Score™ have been completed.

Based on one drug trial, and when revenues, IP ownership/control can be confirmed, and clinical trials are in process, the valuation projection is as follows:

Cannabis Science Inc.
Pre & Post Money Business Valuation
October 28, 2023

Valuation Summary

Weighted Valuation (Pre-Money)	26,763,459
Low Range (Pre-Money)	21,410,767
High Range (Pre-Money)	32,116,150
Pre-Money	26,763,459
Post-Money	29,263,459

Methodology Weighted Values			
Market Capitalization	\$ 2,500,000	51.00%	\$1.5 – Pre-Clinical Development costs (in-vitro & in-vivo) lab work; \$1 Million Dev Costs
Book Value	\$ -	40.00%	Need curent balance sheet
Market Comps	\$ 53,999,500	7.00%	Nine Comps, same space, same stage of dev
DCF With Terminal	\$ 1,085,424,677	2.00%	6-Year forecast post R & D/Trials
Subtotal		100.00%	

References:

<https://doi.org/10.3389/fonc.2017.00208>

<https://www.frontiersin.org/journals/oncology/articles/10.3389/fonc.2017.00208/full>

<https://www.cannabisscience.com/>

Cannabis Science Inc.
 19800 MacArthur Blvd. Suite #300 Irvine, CA 92612

<https://americanstatesuniversity.com/>

American States University, 1352 Irvine Blvd, Tustin, CA 92780
 Fallowfield Montessori School

<https://www.investing.com/equities/cannabis-science-inc>
<https://www.macroaxis.com/stock/GBXI/Gbx-Intl-Group>

GBX International Group Inc.
 200 South Main Street
 Suite 305

ESTIMATED CAPIZATE SCORE™ SUMMARY FOR GBX International Group Inc.

A Capizate Score™ includes our proprietary weights, assessments, due diligence process, business finance document review, and risk analysis. Our services follow certain protocols, due diligence processes, and business finance document preparation standards in assessing companies referred to us, internally and externally. The score is divided into five sections, and 25 subjects. The subjects are further described through 334 individual attributes. Each attribute is worth three points on a scale of 0 to 3. The point system maximizes at 1,000. Both the attributes and the sections are weighted based on our 14 years of data working with hundreds of clients. In summary, the goal of all enterprises is to achieve 925 points (92.5%), or higher. In the case of GBX International Group Inc., the score was exactly 623. We are glad to review the score in great detail with you as well as review the data room for further details.

Section 1 - Subject 1 Situation Analysis	88.00	54.00	61.36%
Section 1 - Subject 2 Company	33.00	18.00	54.55%
Section 1 - Subject 3 Business	38.00	28.00	73.68%
Section 1 - Subject 4 Due Diligence	22.00	9.00	40.91%
Section 1 - Subject 5 Trends & Timing	19.00	16.00	84.21%
	200.00	125.00	62.50%
Section 2 - Subject 6 Pro forma	34.00	29.00	85.29%
Section 2 - Subject 7 Capital Formation	47.00	40.00	85.11%
Section 2 - Subject 8 Financial Strategy	41.00	31.00	75.61%
Section 2 - Subject 9 Valuation	53.00	40.00	75.47%
Section 2 - Subject 10 Historical Financials	25.00	10.00	40.00%
	200.00	150.00	75.00%
*Valuation in process and to be confirmed, need tax returns			
Section 3 - Subject 11 Business Model Canvas	35.00	18.00	51.43%
Section 3 - Subject 12 Marketing	66.00	30.00	45.45%
Section 3 - Subject 13 Strategic & Tactical Plan	68.00	35.00	51.47%
Section 3 - Subject 14 Presentation Materials	18.00	15.00	83.33%
Section 3 - Subject 15 Technology & Security	13.00	6.00	46.15%
	200.00	104.00	52.00%
*Need to confirm website vulnerability			
Section 4 - Subject 16 Leadership	40.00	32.00	80.00%
Section 4 - Subject 17 Management Experience	51.00	40.00	78.43%
Section 4 - Subject 18 Consultants & Advisors	36.00	33.00	91.67%
Section 4 - Subject 19 Staff	44.00	22.00	50.00%
Section 4 - Subject 20 Culture	29.00	21.00	72.41%
	200.00	148.00	74.00%
Section 5 - Subject 21 Corporate Documents	44.00	21.00	47.73%
Section 5 - Subject 22 Capital Raise Materials	36.00	19.00	52.78%
Section 5 - Subject 23 Legal Review	36.00	15.00	41.67%
Section 5 - Subject 24 Risk Management	36.00	16.00	44.44%
Section 5 - Subject 25 Investor Marketing	48.00	25.00	52.08%
	200.00	96.00	48.00%
Subtotal	1,000.00	623.00	62.30%

DOCUMENT CHECKLIST FOR EQUITY (DEBT HAS LESS DOCUMENTS)

1-Page Tear Sheet

A 1-page summary of the business and its offering - value proposition, business model, financial model, the capital ask, contact information, logo.

Assumptions Worksheets

A document that explains and/or summarizes the methods and assumptions used to build the business and financial model. Assumption's worksheets may include key performance indicators (KPIs); industry standard statistics, facts or percentages, cost of goods, price strategies, total addressable market (TAM), serviceable attainable market (SAM), service obtainable market (SOM), market penetration modeling, and other growth and revenue assumptions.

BMC (Business Model Canvas)

1-page summary - customer segments, value propositions, channels, customer relationships, revenue streams, key activities, key resources, key partners, cost structure.

Certified Business Plan (Or business plan in any form)

334 Attributes defined in 5 sections. To be certified, the plan must earn a score of 925, or better.

Capital Marketing Plan

Email blast to all potential investors to data room, list of investors.

Capital Offering Documents

1st pre-legal review draft of the offering documents outlining the opportunity, summary of the offering, subscription process.

Capital Structure Plan

Type of capital, amount of capital, capital stack and tranches, increases in valuation.

Capitalization Table

List of all equity owners, amount paid, and ownership percentage.

Capizate Score™

See Exhibit D for details.

Company Website – On Web 3.0

Domain name; hosting; website platform; website Speed; SSL security; SEO friendly; tracking and analytics; cross-browser compatibility; social media integration; content marketing; mobile friendly; navigation; white space; branding; typography, layout & colors; about us page; contact us; FAQs (frequently asked questions); product and services; video content.

Due Diligence – Corporate Identity

Entity standing, state registration, organizational document review, meeting minutes, corporate governance report.

Due Diligence - Competitive Analysis

Total competitive landscape, direct competitive analysis, indirect competitive analysis, comparison chart, market penetration modeling.

Due Diligence - Intellectual Property

Summary report of all proposed claims, ownership of property, rights, documentation.

Due Diligence – Legal

Scrubbed for legal issues, governmental compliance, litigation.

Due Diligence - Risk Assessment

A Risk report - Potential liabilities on product and/or services; risks associated with the industry, entity type, business model.

Due Diligence - Technology

Report on technology, due diligence on competition known or unknown, validation of technology claims.

Elevator Pitch

Define the elevator pitch - mission, strategic – tactics.

Executive Summary

A 5-7-page written summary of the marketing plan, strategic plan, tactical plan, 1-page financial summary, summary of the offering.

Financial Modeling - Fixed Costs

Payroll worksheets, marketing worksheets, sales & general administrative worksheets.

Financial Modeling - Revenues & Costs

Worksheets are built and linked for each revenue streams with direct (variable expenses & cost of goods) and indirect (fixed expenses) costs.

Financial Modeling – Summary Page

Worksheets merged between cash flow, profit & loss, equity, and use of funds all in one worksheet (Best presented with 1-page tear sheet or CANVAS).

Management Team Documents

Summary write up of executive team resumes, bios, organizational chart, staffing.

Management Team Consultant's Due Diligence

Due Diligence review of consulting team, board members, advisors, attorneys, accountants, professionals, & advisory team.

Management Team Executive's Due Diligence

Background checks on the management team, executives, confirmation of all material submitted, report prepared.

Marketing

TAM - SAM - SOM Report: TAM: total addressable market SAM: serviceable addressable market SOM: serviceable obtainable market.

Marketing Plan & Budget

Includes SEO, TAM/SAM/SOM - SEO/PPC direct expenses, variable expense, budget, CAC, SWOT, pricing strategy, analyze brand, images, website.

Market Research Report

Market size, demand, penetration requirements, demographics, prepared written report with references, citations, footnotes.

Primary Point of Contact & Secondary Point of Contact

Provide the name, address, email address and phone number of the primary person(s) that will be engaged with Capizate to complete the Capizate Score™.

Presentation Deck

12-18-page graphical summary of the business plan, strategic plan, tactical plan, 1-Page Tear Sheet, offering.

Sources & Uses

Capital type, amount, and use of funds.

Strategic & Tactical Plan

MVP (minimum viable product), value proposition, business model defined, financial model defined, mission statement, vision statement.

Valuation – Spreadsheets

Research for a 409A Valuation with a review of financial statements, company comparisons for market comp, discounted cash flow analysis, capitalization table, value of equity for tax purposes.

Valuation - Opinion Letter & Final Valuation Write-Up

Cover letter, qualifications, weighted valuation summary, methodology report, range of company value.

Exit strategy

Definition of liquidity events, M & A strategy, succession plan, convertible note.

Virtual Portal (Data Room)

Documents updated, re-dated as necessary, minor updates to presentation materials, updates to investor access levels. We call this the Managed Virtual Portal (MVP).

Capital Type List (Most to Least Probable)

1. Private Equity Securities Simple Agreement Future Equity
2. Private Equity Securities High Net Worth Individuals
3. Private Equity Securities Angel Investors
4. Private Equity Securities Family Offices
5. Public Offering - Regulation A+ Title IV
6. Private Equity Securities Accredited Investors
7. Private Equity Securities Regulation D 506(c)
8. Private Equity Securities Regulation CF Tittle III
9. Private Equity Securities Private Placement Memorandum
10. Private Equity Securities Regulation D 506(b)
11. Private Equity Securities Convertible Note
12. Private Equity Securities Regulation D 504
13. Private Equity Securities Family & Friends
14. Private Equity Securities Regulation A
15. Private Equity Securities Rule 144
16. Private Equity Securities Broker Dealers
17. Bootstrapped - Cash Savings
18. Bootstrapped - Personal Credit Cards
19. Bootstrapped - Retirement (401K) SDI
20. Commercial Banking - Credit Card
21. Cryptocurrency - Private Investment Via Crypto Wallet
22. Small Business Administration (SBA) SBA 7a
23. Commercial Banking - Asset Based Lending
24. Public Offering - Private Investment in Public Equity
25. Public Offering - Initial Public Offering
26. Public Offering - Reverse Merger or Acquisition
27. Commercial Banking - Commercial Bank Loan
28. Commercial Banking - Line of Credit
29. Commercial Banking - Collateralized Debt
30. Commercial Banking - Standby Lines of Credit
31. Cryptocurrency - Initial Exchange Offering
32. Private Debt - Asset Based Lending
33. Private Debt - Bridge Financing
34. Private Debt - Collateralized Debt
35. Private Debt - Private Debt
36. Private Debt - Hard Money Loan
37. Private Debt - Promissory Note
38. Small Business Administration (SBA) - SBA 504B
39. Small Business Administration (SBA) - SBA Express
40. Bootstrapped - Home Equity
41. Investment Banking - Broker Dealer Representation
42. Investment Banking - Broker Syndication
43. Investment Banking - Equity Sale
44. Investment Banking - Investment banker Debt
45. Investment Banking - Mezzanine Financing
46. Factoring Accounts Receivable Loans

47. Venture Capital Equity Sale
48. Factoring Purchase Order Loan
49. Factoring Invoice Factoring
50. Factoring Merchant Account Advances
51. Small Business Administration (SBA) SBDC
52. Small Business Administration (SBA) SBIC
53. Venture Capital Mezzanine Financing
54. Royalty Financing - Top Line Revenue
55. Government Incentives - Enterprise Zones
56. Cryptocurrency Initial Coin Offering
57. Government Incentives EB-5 Immigration
58. Venture Capital Long Term Debt
59. Commercial Banking - Acquisition Loan
60. Incubator Public
61. Incubator Private
62. Incubator University
63. Accelerator - Public
64. Accelerator - Private
65. Commercial Banking - Real Estate Loan
66. Accelerator University
67. Bootstrapped - Whole Life Insurance
68. Commercial Banking - Equipment Loan
69. Private Debt - Real Estate Loan
70. Private Debt - Acquisition Loan
71. Grants - Government
72. Grants - State Agencies
73. Grants - Municipalities
74. Bonds - High Yield Junk
75. Grants - Corporate Grants
76. Grants - Education Grants
77. Grants - Research Grants
78. Hedge Funds - Public
79. Hedge Funds - Private
80. Bonds - Mortgage Backed
81. Bonds - Investment Grade
82. Small Business Administration (SBA) - SBA Veteran
83. Bonds - Government Backed
84. Bonds - Foreign