

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 9, 2023

SKYE BIOSCIENCE, INC.  
(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

000-55136

(Commission File Number)

45-0692882

(I.R.S. Employer Identification Number)

11250 El Camino Real, Suite 100, San Diego, CA 92130

(Address of principal executive offices)

(858) 410-0266

(Registrant's telephone number, including area code)

\_\_\_\_\_  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

Securities registered pursuant to Section 12(b) of the Act:

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**Title of each class**

**Trading  
Symbol(s)**

**Name of each exchange  
on which registered**

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N/A

N/A

N/A

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.**

As previously disclosed, on November 10, 2022, Emerald Health Therapeutics, Inc. ("EHT"), a wholly owned subsidiary of Skye Bioscience, Inc. (the "Company"), C3 Souvenir Holding, Inc., a corporation governed under the Canada Business Corporations Act ("Purchaser") and certain other related parties entered into a stock purchase agreement (as amended, the "Verdélite SPA") effective November 8, 2022, pursuant to which Purchaser would acquire all of the outstanding shares of Verdélite Sciences, Inc., the holder of EHT's most significant real estate asset, for an aggregate purchase price of approximately USD\$9,478,000, subject to certain adjustments.

To facilitate the closing of the transactions contemplated by the Verdélite SPA, on February 9, 2023, EHT, the Purchaser and certain other related parties entered into a second amendment to the Verdélite SPA (the "Second Amendment") pursuant to which, among other things, the parties amended the Verdélite SPA to allow for the first installment payment under the Verdélite SPA to be paid through a promissory note (the "Promissory Note"). On February 10, 2023, the Promissory Note was paid off in its entirety.

The foregoing description of the Second Amendment does not purport to be complete and is qualified in its entirety by reference to the Second Amendment attached hereto as Exhibit 10.1, which is incorporated herein by reference.

**Item 2.01. Completion of Acquisition or Disposition of Assets**

On February 9, 2023 (the "Closing Date"), the parties closed the transactions contemplated by the Verdélite SPA (the "Closing").

Shortly following the Closing, the Company received cash proceeds of approximately USD\$5,602,000. The remainder of the purchase price will be paid as follows: (i) USD\$373,000 will be payable in five (5) equal monthly installments payable on the last day of each month beginning on December 31, 2023 and ending April 30, 2024, with interest in accordance with the terms of the Verdélite SPA and (ii) USD\$2,797,000 will be payable in three (3) equal installments on each of the 18-month, 30-month, and 42-month anniversaries of the Closing Date, with interest in accordance with the terms of the Verdélite SPA.

The foregoing description of the Verdélite SPA in this Item 2.01 does not purport to be complete and is subject to and qualified in its entirety by reference to the Verdélite SPA, a copy of which was filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on November 14, 2022 and is incorporated herein by reference, the Amendment No. 1 to the Verdélite SPA, a copy of which was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 27, 2023 and is incorporated herein by reference and the Second Amendment, which is being filed herewith.

**Item 8.01. Other Events.**

On February 15, 2023, the Company also issued a press release announcing the closing of the transactions contemplated by the Verdélite SPA. A copy of the press release is attached hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
10.1*	<a href="#">Second Amendment to the Verdélite SPA</a>
99.1	<a href="#">Press Release</a>
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

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\*Filed herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SKYE BIOSCIENCE, INC.**

Dated: February 15, 2023

*/s/ Kaitlyn Arsenault*

\_\_\_\_\_  
Name: Kaitlyn Arsenault

Title: Chief Financial Officer

**AMENDMENT NO. 2 TO THE  
SHARE PURCHASE AGREEMENT**

**THIS AMENDMENT** is made as of February 9, 2023,

**BETWEEN:**

**EMERALD HEALTH THERAPEUTICS, INC.**, a corporation incorporated under the *Business Corporations Act* (British Columbia),  
("EHT")

- and -

**C3 SOUVENIR HOLDING INC.**, a corporation incorporated under the *Canada Business Corporations Act*,  
("Purchaser")

- and -

**VERDÉLITE SCIENCES, INC.**, a corporation incorporated under the *Canada Business Corporations Act*,  
("Corporation")

- and -

**C3 CENTRE HOLDING INC.**, a corporation incorporated under the *Canada Business Corporations Act*,  
("C3" and together with EHT, Purchaser and Corporation, the "**Parties**" and each a "**Party**")

**WHEREAS:**

- (a) the Parties entered into a share purchase agreement dated November 8, 2022 (the "**Share Purchase Agreement**");
- (b) the Parties entered into an Amendment No. 1 to the Share Purchase Agreement dated January 26, 2023; and
- (c) the Parties wish to further amend the Share Purchase Agreement as of and from the date hereof;

**NOW THEREFORE**, in consideration of the premises and mutual agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

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**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Definitions**

In this amendment (the "**Amendment**"), all defined terms shall have the meanings ascribed thereto in the Share Purchase Agreement, unless otherwise defined herein.

**Section 1.2 Inconsistencies**

The Share Purchase Agreement, all amendments and supplements thereto and any other document delivered in connection therewith are to be complied with in all respects by the Parties except to the extent that there is any express inconsistency between the provisions of this Amendment and the provisions contained in the Share Purchase Agreement (as amended from time to time) in which case, the provisions of this Amendment shall prevail.

**ARTICLE 2  
AMENDMENTS TO SHARE PURCHASE AGREEMENT PROVISIONS**

**Section 2.1 Amendment to Section 2.1**

Section 2.1 of the Share Purchase Agreement is hereby amended by adding the following at the end of such section:

At Closing, the share certificates representing the Purchased Shares will be held by counsel to the Vendor as security for payment of the Promissory Note pursuant to the terms of the Share Pledge Agreement.

**Section 2.2 Amendment to Section 2.4(b)**

Section 2.4(b) of the Share Purchase Agreement is hereby deleted in its entirety and replaced by the following:

(b) seven million seven hundred ten thousand dollars (CDN\$7,710,000) (the "**First Instalment**"), satisfied by delivery on the Closing Date of a non-interest bearing promissory note issued by the Purchaser in favour of the Vendor, in the form agreed to by the Parties, acting reasonably (the "**Promissory Note**").

**Section 2.3 Amendment to Section 6.2.9**

Section 6.2.9(a) and (b) of the Share Purchase Agreement are hereby deleted in their entirety and replaced by the following:

- (c) the Share Pledge Agreement, duly executed by the Vendor;
- (d) [reserved];

**Section 2.4 Amendments to Sections 6.3.5(a) and (b)**

Sections 6.3.5(a) and (b) of the Share Purchase Agreement are hereby deleted in their entirety and replaced by the following:

- (e) the Promissory Note, as contemplated in Section 2.4(b), duly executed by the Purchaser;
- (f) the Share Pledge Agreement, duly executed by the Purchaser;

**Section 2.5 Amendments to Schedule 1.1**

Schedule 1.1 of the Share Purchase Agreement is amended by adding the following definitions:

"**Promissory Note**" has the meaning set forth in Section 2.4(b);

...

**"Share Pledge Agreement"** means the share pledge agreement to be dated effective the Closing Date, among the Vendor and the Purchaser in form reasonably satisfactory to the Vendor and the Purchaser, pursuant to which Vendor's counsel will hold the share certificates representing the Purchased Shares, duly endorsed for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record, in accordance with the terms of the Share Pledge Agreement.

**Section 2.6 Effect of Amendment**

Except with respect to the modifications expressly implemented in accordance herewith, the content of this Amendment shall not in any way be interpreted as modifying the terms and conditions of the Share Purchase Agreement and it contains no other modification, whether implicit or ancillary and no other change in any other respect; the Share Purchase Agreement remains in effect unchanged in accordance with its terms and conditions.

**ARTICLE 3  
GENERAL**

**Section 3.1 Further Assurances**

Each of the Parties hereto will make, do and execute, or cause to be made, done, and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence the full intent and meaning of this Amendment.

**Section 3.2 No Waiver**

Failure of a Party hereto to insist upon the strict performance of any term or condition of this Amendment or to exercise any right, remedy or recourse hereunder shall not be construed as a waiver or relinquishment of any such term and condition.

**Section 3.3 Successors, Assigns and Assignment**

This Amendment will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties hereto. This Amendment may not be assigned by any Party other than in compliance with and concurrently with the Share Purchase Agreement.

**Section 3.4 Amendments and Waivers**

No amendment of this Amendment or further amendment to the Share Purchase Agreement shall be valid or binding unless set forth in writing and duly executed by each of the Parties. No waiver of any breach of any provision of this Amendment shall be effective or binding unless made in writing and signed by the Party purporting to give same and, unless otherwise provided, will be limited to the specific breach waived.

**Section 3.5 Governing Law**

This Amendment shall be governed by, and construed, interpreted and enforced in accordance with, the laws of the Province of British Columbia and the laws of Canada in force in such Province (excluding any rule or principle of the conflict of laws which might refer such construction or interpretation to the laws of another jurisdiction). Each Party irrevocably submits to the nonexclusive jurisdiction of the courts of Québec, judicial district of Montréal, with respect to any matter arising hereunder or related hereto.

**Section 3.6 Severability**

If any term or other provision of this Amendment is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Amendment shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Amendment so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

**Section 3.7 Counterparts, Execution**

This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Amendment, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

\* \* \* \* \*



**IN WITNESS WHEREOF** the Parties have executed this Amendment on the date first written above.

**EMERALD HEALTH THERAPEUTICS, INC.**

By: /s/ Punit Dhillon  
Authorized Signing Officer

**C3 SOUVENIR HOLDING INC.**

By: /s/ Jonathan Morrison  
Jonathan Morrison  
Authorized Signing Officer

**VERDÉLITE SCIENCES, INC.**

By: /s/ Punit Dhillon  
Authorized Signing Officer

**C3 CENTRE HOLDING INC.**

By: /s/ Jonathan Morrison  
Jonathan Morrison  
Authorized Signing Officer

*[Signature Page to Amendment No. 2 to the Share Purchase Agreement]*

## Skye Bioscience Closes Sale of Subsidiary, Verdélite Sciences, to C3 Souvenir Holding, with USD\$5.60M Closing Payment

San Diego, California, February 15, 2023 -- Skye Bioscience, Inc. (OTCQB: SKYE) ("Skye" or the "Company"), a pharmaceutical company developing a proprietary, synthetic cannabinoid derivative to treat glaucoma, today announced that C3 Souvenir Holding Inc. ("C3"), an established cannabis cultivator in Quebec, Canada, has completed the acquisition of Verdélite Sciences, Inc. ("Verdélite"), a wholly owned subsidiary of Skye, and its 88,000 square foot cannabis cultivation and processing facility located in Saint-Eustache, Quebec. The purchase price in this transaction is USD\$9.48M. The closing payment of \$5.60M was received by Skye on February 10, 2023.

"We are pleased to consummate this transaction, which substantially completes the steps we set out to take upon acquiring Emerald Health Therapeutics, Inc. The closing payment adds to our operating runway and the progress of our Phase 2 clinical trial for SBI-100 OE," said Punit Dhillon, CEO and Chair of Skye. "We congratulate C3 on this growth step. C3 is well-established in the cannabis marketplace and the state-of-the-art St. Eustache facility will serve their plans for product line expansion and growth in the Canadian cannabis market. C3's acquisition of Emerald's successful Souvenir™ brand will also strengthen their brand portfolio, which includes Fleurons, Be Humble, Piff and Chillum. These brands are currently available in Quebec and will soon be entering Ontario stores. We wish C3 the greatest of success.

"We also acknowledge the effort of David Hyde of Hyde Advisory & Investments Inc. and Andrew Kain of AMK Advisory Services, who helped broker this deal between Emerald/Skye and C3. We appreciate the outcome that has been achieved."

In addition to the closing payment received by Skye, \$0.12M is payable by June 2023, \$0.37M is payable in five monthly installments beginning on December 31, 2023, and ending on April 30, 2024, together with simple interest thereon at 8% per annum, and the balance of \$2.80M is payable in three equal installments, payable on each of the 18-month, 30-month, and 42-month anniversaries of the Closing Date, plus applicable interest.

The agreement specifies terms for prepayment of and/or failure to pay the Principal Installment Payments.

### About Skye Bioscience

Skye Bioscience is a pharmaceutical company unlocking the potential of cannabinoids through the development of its proprietary cannabinoid derivatives to treat diseases with significant unmet needs. The Company's lead program, SBI-100 OE, is focused on developing a treatment for glaucoma, the world's leading cause of irreversible blindness. For more information, please visit: [www.skyebioscience.com](http://www.skyebioscience.com).

### CONTACT

Investor Relations

Email: [ir@skyebioscience.com](mailto:ir@skyebioscience.com)

Phone: (858) 410-0266

### FORWARD LOOKING STATEMENTS

This letter contains forward-looking statements, including statements regarding our product development, business strategy, the timing of clinical trials, and commercialization of cannabinoid-derived therapeutics. Such statements and other statements in this press release that are not descriptions of historical facts are forward-looking statements that are based on management's current expectations and assumptions and are subject to risks and uncertainties. If such risks or uncertainties materialize or such assumptions prove incorrect, our business, operating results, financial condition, and stock price could be materially negatively affected. In some cases, forward-looking statements can be identified by terminology including "anticipated," "plans," "goal," "focus," "aims," "intends," "believes," "can," "could," "challenge," "predictable," "will," "would," "may" or the negative of these terms or other comparable terminology. We operate in a rapidly changing environment, and new risks

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emerge from time to time. As a result, it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. Risks and uncertainties that may cause actual results to differ materially include, among others, our capital resources, uncertainty regarding the results of future testing and development efforts and other risks that are described in the Risk Factors section of Skye's most recent annual or quarterly report filed with the Securities and Exchange Commission. Except as expressly required by law, Skye disclaims any intent or obligation to update these forward-looking statements.