NOTICE TO READER

This CSE Form 2A Listing Statement of Psyence Group Inc. replaces the version filed on SEDAR on January 26, 2021, which inadvertently omitted the auditor reports included at Schedules "E" and "H" of this version. This version of the Listing Statement is identical to the previously filed version in all other respects.

PSYENCE GROUP INC.

FORM 2A

LISTING STATEMENT

January 25, 2021

NOTICE TO READER
Psilocybin is currently a Schedule III drug under the Controlled Drugs and Substances Act (Canada) and it is a criminal offence to possess substances under the Controlled Drugs and Substances Act (Canada) without a prescription. Health Canada has not approved psilocybin as a drug for any indication. The Company (as defined herein) does not deal with psychedelic substances except indirectly within laboratory and clinical trial settings conducted within approved regulatory frameworks in order to identify and develop treatments for medical conditions and, further, does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates. While the Company believes psychedelic substances can be used to treat certain medical conditions, it does not advocate for the legalization of psychedelics substances for recreational use.

Cautionary Statement Regarding Forward-Looking Information

This Listing Statement contains forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities laws. These forward-looking statements and forward-looking information include, but are not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and relate to, without limitation:

- the Company's research and development plans, business model, strategic objectives and growth strategy;
- the Company's future growth plans;
- anticipated trends and challenges in the Company's business and the markets in which it operates;
- the future demand for psilocybin and psilocybin mushroom products from time to time produced, supplied, or distributed by the Company;
- the impact of the recent novel coronavirus ("**COVID-19**") pandemic on the Company's operations;
- the Company's expectations regarding regulatory requirements and developments in the jurisdictions in which it operates;
- the approval of regulatory bodies of psychedelic substances including psilocybin for the treatment of various health conditions;
- controlled substances laws;
- the Company's ability to obtain renewals of licenses and regulatory authorizations for its business operations;
- the Company's estimate of the size of the potential markets for its products;
- the Company's ability to conduct research and studies into psilocybin usage as part of the Company's current and future business plans;
- the Company may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- the acceptance in the medical community of psilocybin as a treatment for depression and palliative oncology;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues;

- risks relating to an evolving regulatory regime related to psilocybin and psychedelic products;
- the continuation of the Company as a going concern;
- the Company's intellectual property;
- the Company’s plans for the expansion of its Lesotho-based production and processing facility;
- the growth of competition from other companies in the industry;
- market position, ability to compete and future financial or operating performance of the Company after the date of this Listing Statement;
- statements relating to the business and future activities of the Company after the date of this Listing Statement;
- the Company's current and future capital requirements and the need for additional financing;
- the Company's expectations regarding revenue generation;
- the Company’s ability to hire and retain key employees and technical experts;
- the Company’s actual financial position and results of operations may differ materially from the expectations of the Company’s management;
- the Company’s exposure to fluctuations in foreign currencies;
- the Company's expectations regarding the sufficiency of its cash for funding non-development related expenditures and future cash balances; and
- the Company's expectations regarding increases in research and development costs and general and administrative expenses.

These forward-looking statements and forward-looking information may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Without limitation, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indicate", "assume", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements and forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, assumptions have been made regarding, among other things: future research and development plans for the Company proceeding substantially as currently envisioned, future expenditures to be incurred by the Company, research and development and operating costs, additional sources of funding, the impact of competition on the Company and the Company being able to obtain financing on acceptable terms.

Although management believes the expectations reflected in such forward-looking statements and forward-looking information are reasonable, forward-looking statements and forward-looking information are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements and forward-looking information. These risks, uncertainties and factors include, but are not limited to: risks, uncertainties and the results of the growth and cultivation of psilocybin or the development of the Company's future products and the timing thereof; the Company may not have sufficient capital to achieve its growth strategy; risks that its growth strategy may not be successful; the regulatory environment in Lesotho and Canada toward psilocybin products; the ability to obtain renewals or approvals for licences and authorizations; the Company's plan to conduct research or sell its psilocybin products in Canada and obtaining Canadian regulatory approval thereto; the Company's expansion of its Lesotho-based production and processing facility; competitors from other companies; clinical trial results; limitations on insurance coverage; the timing and amount of estimated capital expenditure in respect of the business of the Company; operating expenditures; success of marketing activities; estimated budgets; currency fluctuations; requirements for additional capital; the timing and possible outcome of litigation in future periods; the effects of COVID-19 pandemic; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully by prospective investors. More detailed assessment of the risks that could cause actual events or results to materially differ from the Company's current expectations can be found under the heading "Risk Factors" in this Listing Statement.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in, or incorporated by reference into, this Listing Statement. Accordingly, prospective investors are cautioned not to place undue reliance on such statements.

All of the forward-looking statements and forward-looking information in this Listing Statement is qualified by these cautionary statements. Statements containing forward-looking statements and/or forward-looking information contained herein are made only as of the date hereof. The Company expressly disclaims any obligation to update, revise or alter statements containing any forward-looking statements or forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for the Company to predict which factors may arise. In addition, the Company cannot assess the impact of each factor on the Company's 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 or forward-looking information.

GLOSSARY

"**Acquisitionco**" means 1264216 B.C. Ltd., a corporation incorporated on September 3, 2020 for the purposes of the Amalgamation under the laws of the Province of British Columbia;

"**Amalco**" means, "Psyence Biomed Corp.", the corporation amalgamated on January 19, 2021 resulting from the amalgamation of MindHealth and Acquisitionco prior to the Transaction;

"**Amalgamation**" means the amalgamation of Acquisitionco and MindHealth under Section 269 of the BCBCA;

"**Amalgamation Agreement**" means the agreement between Acquisitionco and MindHealth dated January 19, 2021 to amalgamate the two companies into Amalco;

"**BCBCA**" means the British Columbia *Business Corporations Act*;

"**Cardinal**" means Cardinal Capital Partners Inc., a corporation incorporated on February 20, 1986 under the laws of the Province of Ontario which becomes the Company (as defined herein) after giving effect to the Transaction;

"**Cardinal Shareholders**" means the shareholders of Cardinal existing prior to closing of the Transaction (which includes Company Shares issued as compensation to a finder on closing of the Transaction);

"**CDSA**" means the Canadian *Controlled Drugs and Substances Act*.

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**Company**" means Cardinal after giving effect to the Transaction being the holder of 100% of the issued and outstanding shares in the capital of Amalco, the company that resulted from the amalgamation of MindHealth and Acquisitionco. The Company will be the resulting issuer listed on the CSE under the name Psyence Group Inc.;

"**Company Option Plan**" means the rolling stock option plan created by the Company pursuant to which the Company may issue options to purchase up to a rolling aggregate of 10% of the Company Shares outstanding at any time to certain qualified persons, as such plan may be amended, replaced or otherwise modified from time to time;

"**Company Shares**" means common shares in the capital of the Company;

"**Consolidation**" means the consolidation of Cardinal Shares on the basis of one (1) post-consolidation Company Share for every 19.24 pre-consolidation Cardinal Shares;

"**CSE**" means the Canadian Securities Exchange;

"**CSE Approval**" means the final approval of the CSE in respect of the listing of the Company Shares on the CSE following completion of the Transaction, as evidenced by the final approval bulletin of the CSE in respect thereof;

"**Definitive Agreement**" means the business combination agreement dated September 11, 2020 among Cardinal, MindHealth, and Acquisitionco;

"**Drugs of Abuse Act**" means the Lesotho *Drugs of Abuse Act, No 5 of 2008;*

"**Escrow Agreement**" has the meaning ascribed to that term under Section 11 – Escrowed Securities;

"**Exchange Ratio**" is the ratio in which holders of MindHealth Shares will be issued 20.4904 common shares in the capital of Cardinal (as constituted prior to the completion of the Consolidation) in exchange for every one (1) MindHealth Share held immediately prior to the completion of the Transaction.

"**Highlands Pure Lesotho**" means Highlands Pure Lesotho (Pty) Ltd, a private company duly incorporated under the *Lesotho Companies Act, Act No. 18 of 2011* in the Kingdom of Lesotho on July 4, 2017 under the name Daddy Cann (Lesotho);

"**Highlands Ventures**" means Highlands Ventures (Pty) Ltd, a private company duly incorporated under the South African *Companies Act, Act No. 71 of 2008* in the Republic of South Africa on June 26, 2018 under the name "Virlovision";

"**IFRS**" means International Financial Reporting Standards;

"**International Narcotics Laws**" means, collectively, the Single Convention on Narcotic Drugs at New York on 30 March 1961, as amended by the 1972 Protocol amending the Single Convention at Geneva on 1972 and the Convention Against Psychotropic Substance at Vienna on 21 February 1971("**1971 Convention**") and the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances at Vienna on 20 December 1988;

"**Listing Date**" means the date on which the Company Shares are listed and posted for trading on the CSE;

"**Listing Statement**" means this Form 2A Listing Statement, filed in connection with the Company's fundamental change;

"**MindHealth**" means MindHealth Biomed Corp., a corporation incorporated on May 21, 2020 under the laws of the Province of British Columbia. After the completion of the Transaction, the shareholders of MindHealth will hold the majority of the Company Shares and Cardinal will become the Company. In turn, the Company will be the resulting issuer that is listed on the CSE;

"**MindHealth Lesotho**" means Mind Health (Pty) Ltd., a corporation incorporated on March 13, 2020 under the Lesotho *Companies Act, Act No. 18 of 2011* in the Kingdom of Lesotho;

"**MindHealth Options**" means options to purchase MindHealth Shares granted pursuant to the MindHealth Option Plan;

"**MindHealth Shares**" means common shares in the capital of MindHealth;

"**MindHealth Warrants**" means the common share purchase warrants granted by MindHealth to purchase up to 5,000,000 MindHealth Shares;

"**Name Change**" means the change of the name of the Cardinal to "**Psyence Group Inc.**" after giving effect to the Transaction;

"**New York Convention**" means the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention of 1958);

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Psyence Therapeutics**" means Psyence Therapeutics Corp., a private corporation incorporated on April 29, 2020 under the laws of the Province of Ontario which is wholly-owned by MindHealth prior to the Transaction, and wholly-owned by Amalco following the Amalgamation;

"**Replacement Options**" means the options to purchase Company Shares issued by the Company in exchange for the MindHealth Options in accordance with the Definitive Agreement;

"**Replacement Warrants**" means the warrants to purchase Company Shares issued by the Company in exchange for outstanding MindHealth Warrants in accordance with the Definitive Agreement;

"**Transaction**" means: (i) the reverse take-over of Cardinal by MindHealth pursuant to the Definitive Agreement, (ii) the Amalgamation, (iii) the Consolidation, and (iv) the Name Change.

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2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The corporate name of the Company is "Psyence Group Inc." having changed from "Cardinal Capital Partners Inc." pursuant to the OBCA and in connection with completion of the Transaction on January 19, 2021.

The registered office of the Company is located at 200 Bay Street, Suite 2010, Toronto, Ontario, Canada, M5J 2J1.

2.2 Corporate Jurisdiction

The Company was incorporated under the OBCA on February 20, 1986 and was initially named "ELI-Eco Logic Inc.". The Company became a reporting issuer on March 26, 1994 upon its amalgamation with North Hawk Resources Ltd.

ELI Eco Logic Inc. commenced trading on the Toronto Stock Exchange under the symbol "ELI". Pursuant to articles of amendment dated March 11, 2005, ELI Eco Logic Inc. changed its name to "Global Development Resources, Inc." Pursuant to articles of amendment dated December 09, 2010, the Company changed its name to "GDV Resources Inc." and commenced trading on the Toronto Stock Exchange under the symbol "GDV.H". On August 15, 2013, the Company changed its name to "Cardinal Capital Partners Inc." and its shares were listed on the NEX Board of the TSX Venture Exchange on September 13, 2013 under the symbol "CCP.H". These shares were delisted from the NEX Board on March 28, 2018. The Company is presently a reporting issuer in the Provinces of British Columbia, Alberta, Ontario, and Nova Scotia.

MindHealth was incorporated under the BCBCA on May 21, 2020. It has two wholly-owned subsidiaries, MindHealth Lesotho and Psyence Therapeutics, which following the Amalgamation, have become wholly-owned subsidiaries of Amalco.

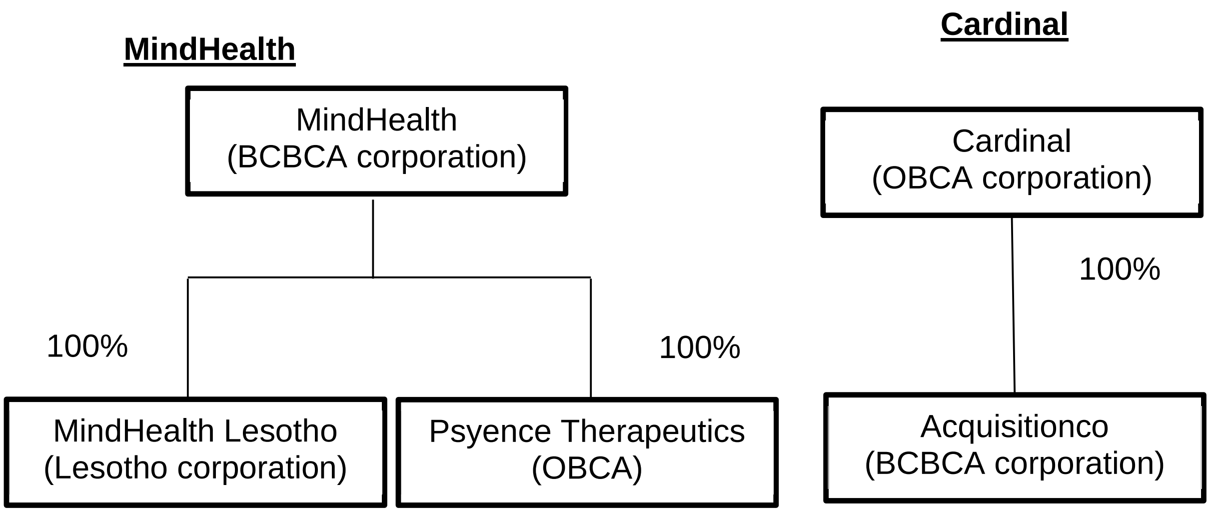
MindHealth Lesotho was incorporated pursuant to the laws of the Kingdom of Lesotho under the Lesotho *Companies Act 18 of 2011* on March 13, 2020 under the name "Mind Health (Pty) Ltd.", and Psyence Therapeutics was incorporated under the OBCA on April 29, 2020 under the name "Psyence Therapeutics Corp.".

On January 19, 2021, the Company completed the Transaction, whereby its name was changed from "Cardinal Capital Partners Inc. to " Psyence Group Inc." pursuant to the OBCA.

2.3 Intercorporate Relationships

MindHealth, Cardinal and Psyence Therapeutics before the Transaction

Immediately prior to the Transaction, the corporate structure of each of MindHealth and Cardinal were as follows:

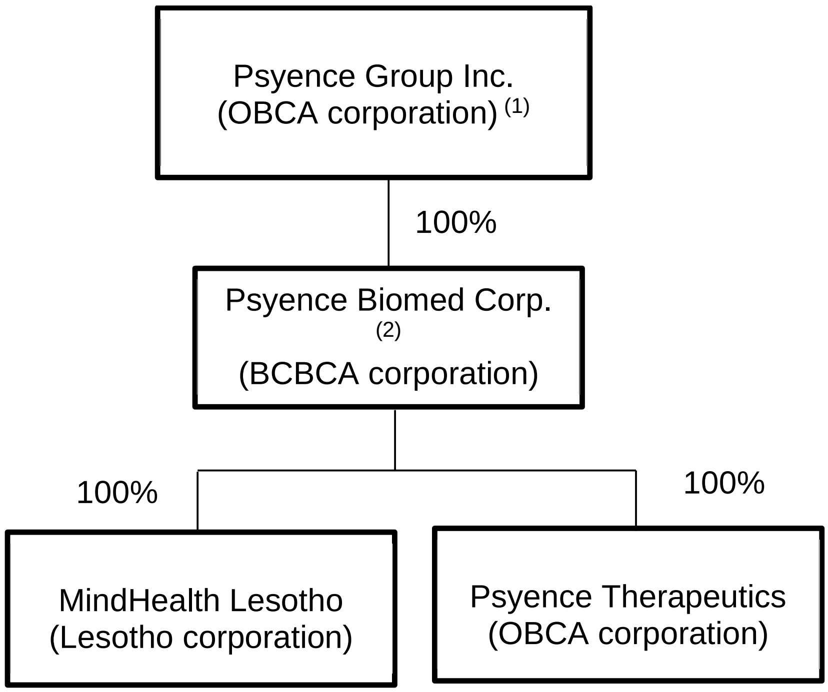


MindHealth held 100% of the issued and outstanding shares of each of MindHealth Lesotho and Psyence Therapeutics. Cardinal held 100% of the issued and outstanding shares of Acquisitionco.

2.4 Fundamental Change

The Company

The Transaction resulted in the following corporate structure for the Company:



Notes:

(1) Formerly Cardinal Capital Partners Inc.

(2) Psyence Biomed Corp. (referred to herein as Amalco) is the company that resulted from the amalgamation of MindHealth and Acquisitionco.

In conjunction with the Transaction, Cardinal changed its name to "**Psyence Group Inc.**". Immediately after the closing of the Transaction, the Company had approximately 85,528,931 Company Shares issued and outstanding (on a non-diluted basis), of which (i) approximately 81,706,552 Company Shares (or 95.531%) were held by the former MindHealth shareholders, and (ii) approximately 3,882,379 Company Shares (or 4.469%) were held by the shareholders of Cardinal existing prior to closing (which includes Company Shares issued as compensation to a finder on closing of the Transaction). Psyence Group Inc. is the current name of the Company and is the resulting issuer upon completion of the Transaction.

3. GENERAL DEVELOPMENT OF THE BUSINESS

Prior to the Transaction, the Company had not carried on active business since September 30, 2009. With the completion of the Transaction, the Company carries on the business of the Company through Psyence Biomed Corp. as an operating subsidiary, and Psyence Biomed Corp's subsidiaries MindHealth Lesotho and Psyence Therapeutics. The Company is a life science biotechnology platform providing science forward, natural products for psychedelic therapy, experience and wellness. The mission of the Company is to become a science forward psychedelic company and supplier of branded, naturally derived, medicinal-grade psilocybin mushroom products to the global legal psychedelic research, medical and nutraceutical industries.

MindHealth and MindHealth Lesotho

MindHealth was incorporated under the BCBCA with the name "MindHealth Biomed Corp." on May 21, 2020.

MindHealth's founder, Jody Aufrichtig, created the licensed cannabis cultivation and export business, Daddy Cann Lesotho (Pty) Ltd, now operating as Highlands Pure Lesotho. Canopy Growth Corporation (NYSE: CGC / TSX: WEED), the largest listed cannabis entity in the world at the time, purchased 100% of the shares in the erstwhile Daddy Cann (Lesotho) (Pty) Ltd on 30 May, 2018 to form Canopy Growth Africa. MindHealth is led by members of the executive team who previously lead Canopy Growth Africa. The team worked closely with the Lesotho Ministry of Health to assist with international regulations and compliance such as those of the International Narcotics Control Board (INCB). This close working relationship with the Lesotho Ministry of Health and experience working with and knowledge of international regulations and compliance will assist with the exportation of psilocybin mushrooms.

MindHealth Lesotho was incorporated under the laws of the Kingdom of Lesotho on March 13, 2020 with the intention of capitalizing on the significantly lower costs of production in Africa to distribute and supply internationally certified medical grade psilocybin mushroom products to legal export markets, and to provide cultivation, processing, distribution, brand and retail services.

MindHealth Lesotho was granted permission in May 2020 by the Government of Lesotho to import, cultivate, produce, manufacture and export psilocybin mushrooms. This license enabled MindHealth to begin building a business network and the operational, corporate and governance structures required to deliver on its mission.

In anticipation of completing the Transaction and listing on the CSE, in May 2020, MindHealth Lesotho underwent a restructuring such that it became a subsidiary of MindHealth, and MindHealth established its registered head office and corporate headquarters in Canada. It also continues to have an operational office in Cape Town, South Africa and has commenced the build-out of a fully integrated cultivation, processing and product manufacturing facility to international standards at its licensed facility in Lesotho, in Southern Africa.

On May 25, 2020, MindHealth entered into a management service agreement with Highlands Ventures to manage the design, construction, erection, commissioning, operation and maintenance of MindHealth's psilocybin mushroom cultivation facility as well as the sale of psilocybin mushrooms for a period of 3 years. Highlands Ventures further provides administrative services such as financial administration and control, compliance management and business development and strategy.

On June 1, 2020, MindHealth Lesotho entered into a sub-lease agreement with Highlands Pure Lesotho for 5,700m^2 of land situated at a cultivation site in Kolojane in the Berea District of Lesotho. The initial term of the lease is approximately nine years commencing 1 June, 2020 and ending May 21, 2029. Thereafter, MindHealth Lesotho has the option to renew the lease for a further ten-year period for a maximum of five consecutive such periods. In addition to the leased portion of land, MindHealth Lesotho has the right to use the infrastructure and related services available at the cultivation site, including security, access to borehole water and access roads, at a monthly cost of M3,485 per month (approximately C$296 based on the Canadian Dollar to Lesotho Loti exchange rate of 1:0.085 LSL:CAD dated January 20, 2021).

The high secure cultivation and production facility is situated on this land. Phase 1 is a laboratory with three controlled environments consisting of a sterile lab, spawn room and grow room. These environments are serviced by a technical area which provides high-efficiency particulate air ("**HEPA**"). The individual environments are filtered and temperature and humidity-controlled. Phase 1 operations commenced during November 2020. Phase 2 consists of the establishment of a commercial production unit of approximately 354.2m^2. There will be two growing rooms each capable of producing dried fruit body every 5 weeks. The layout is designed to allow for rapid expansion with minimum interference to operations. This will be housed in a 1,125m^2 building which can be constructed as demand requires. The estimated costs of phase 1 and phase 2 are $266,000 and $975,00 respectively. Construction of phase 2 is not expected to occur within the next 12 months.

By locating its facility in this location, MindHealth Lesotho is expected to benefit from a natural environment with unpolluted air and abundant water, as well as a government committed to leveraging psilocybin mushroom cultivation and production for economic development.

On June 02, 2020, MindHealth entered a strategic collaboration with Psyence Therapeutics. The mission of the strategic collaboration was to bring together Psyence's clinical network, research expertise and programs with MindHealth's proficiency in providing certified psilocybin mushroom products cultivated to international standards. The parties wished to co-operate in exploring and expanding on the psilocybin market from a research and commercial perspective. The parties agreed to collaborate in the development of all psilocybin products produced by MindHealth to ensure that these products were used globally.

Psyence Therapeutics

Psyence Therapeutics was incorporated under the OBCA with the name "Psyence Therapeutics Corp." on April 29, 2020. Psyence Therapeutics was created to be a platform for business and innovation in psychedelic therapy, experience, wellness and the development and commercialization of related technologies and products.

On August 25, 2020, Psyence Therapeutics hired Michael (Mike) Dacks to serve as President and Chief Operating Officer. Mr. Dacks was the former Vice President - Legal and International Business for MedReleaf until its sale to Aurora Cannabis. He has experience in compliance, corporate governance, the creation of novel intellectual property and establishing operations in emerging markets.

Through research and development, Psyence Therapeutics is developing proprietary formulations, dosage regimes and treatment protocols based on standardized and well characterized derivatives of naturally occurring psychedelic compounds with an initial focus on oncological palliative care and depression. It will initially focus on psilocybin and intends to expand into other psychedelic treatments that are derived from nature, which can be improved, validated, and made safe by science under appropriate regulatory approvals in such jurisdictions where it will conduct its research once identified.

On October 20, 2020, MindHealth and Psyence Therapeutics executed a term sheet for the acquisition of all the issued and outstanding shares of Psyence Therapeutics by MindHealth for $4,500,000 payable by the issuance of 18,000,000 common shares in the capital of MindHealth at a price of $0.25. The Board of Directors of MindHealth unanimously approved the transaction, and the board’s approval is supported by a fairness opinion from Hyperion Capital Inc. to the effect that, as of the date of the opinion, and subject to the assumptions, limitations and qualifications upon which such opinion is based, the consideration to be paid by MindHealth pursuant to the transaction is fair, from a financial point of view, to MindHealth.

On December 4, 2020 MindHealth, Psyence Therapeutics and the shareholders of Psyence Therapeutics executed a definitive agreement for the purchase by MindHealth of all of the securities of Psyence Therapeutics in exchange for securities of MindHealth. On January 15, 2021 MindHealth completed the acquisition of Psyence Therapeutics by issuing 18,000,000 MindHealth Shares, warrants to purchase 1,617,621 MindHealth Shares, and stock options to purchase 1,788,344 MindHealth Shares in exchange for all of the outstanding shares, warrants and options of Psyence Therapeutics. As a consequence of this transaction, Psyence Therapeutics became a wholly-owned subsidiary of MindHealth.

This MindHealth acquisition of Psyence Therapeutics created a vertically integrated international biotechnology platform for business and innovation in psychedelic therapy, experience, wellness, and the development and commercialization of related technologies and products, focused on research, sales and distribution. It brings together Psyence Therapeutics’ clinical network, research expertise and programs with MindHealth’s proficiency in providing high quality certified psilocybin mushrooms or forms thereof cultivated to international standards. Furthermore, it enables exploration and expansion on the psilocybin mushroom market from a research and commercial perspective. The Company aims to ensure that the psilocybin mushroom products it produces are used throughout the global psilocybin mushroom market.

MindHealth Private Placements

Following share issues on May 21, 2020 and May 22, 2020, MindHealth completed four tranches of a private placement offering between June 10, 2020 and December 31, 2020 raising aggregate gross proceeds of $7,123,249.25 from the sale of 28,492,997 MindHealth Shares at a price of $0.25 per MindHealth Share for each tranche. MindHealth completed a fifth tranche of a private placement offering that closed on January 15, 2021 raising aggregate gross proceeds of $1,899,632 from the sale of 5,427,520 MindHealth Shares at a price of $0.35 per MindHealth Share. MindHealth issued 800,000 subscription receipts at a price of $0.35 per subscription receipt on January 18, 2021 for gross proceeds of $280,000. The subscription receipts immediately converted into 800,000 common shares of MindHealth on the basis of one MindHealth common share per subscription receipt.

The table below provides details on these tranches:

Tranche	**Number of shares**	**Price per share**	**Gross proceeds**
One	6,340,000	$0.25	$1,585,000.00
Two	12,826,884	$0.25	$3,206,721.00
Three	6,756,113	$0.25	$1,689,028.25
Four	2,570,000	$0.25	$642,500.00
Five	5,427,520	$0.35	$1,899,632.00
Six	800,000	$0.35	$280,000.00
Total	34,720,517		$9,302,881.25

The Transaction

On August 11, 2020, MindHealth and Cardinal entered into a letter of intent to complete the Transaction and on September 11, 2020, MindHealth, Cardinal, and Acquisitionco entered into the Definitive Agreement.

In anticipation of the Transaction, pursuant to articles of amendment dated January 19, 2021, Cardinal completed the consolidation of Cardinal Shares on the basis of one (1) post-Consolidation Cardinal Share for every 19.24 pre-Consolidation Cardinal Shares and changed its name to "Psyence Group Inc.".

As part of the Transaction, MindHealth and Acquisitionco amalgamated under the BCBCA pursuant to the terms of the Amalgamation Agreement to form Amalco, and Cardinal issued 1.0649 Cardinal Shares (on a post-Consolidation basis) for each MindHealth Share. All MindHealth Warrants and MindHealth Options issued prior to the Transaction were cancelled and the Company issued 1.0649 Replacement Warrants and Replacement Options, as applicable, on the same terms and conditions as the respectively cancelled MindHealth Warrants and MindHealth Options.

Immediately after the closing of the Transaction, the Company had approximately 85,528,931 Company Shares issued and outstanding (on a non-diluted basis), of which (i) approximately 83,706,547 Company Shares (or 97.869%) were held by the former MindHealth shareholders, and (ii) approximately 1,822,384 Company Shares (or 2.131%) were held by the Cardinal Shareholders. The Company also had a total of 7,432,055 Company Options and 8,910,553 Company Warrants outstanding.

On a fully-diluted basis, presuming the exercise of the Company Options and Company Warrants, immediately after closing of the Transaction the Company would have approximately 101,871,539 Company Shares issued and outstanding, of which (i) approximately 100,049,155 Company Shares (or 98.211%) were held by the former MindHealth shareholders, and (ii) approximately 1,822,384 Company Shares (or 1.789%) were held by the Cardinal Shareholders.

Upon the conclusion of the Transaction, the business of the Company became the business of MindHealth.

Finder's Fees

In connection with the Transaction, Cardinal entered into a finder's fee agreement between Cardinal and a finder (the "**Finder**"), providing for the issuance to the Finder of an aggregate of 1,999,995 Company Shares (the "**Finder Fee Shares**") on a post-Consolidation basis at $0.30 per share. The Finder Shares were issued upon the closing of the Transaction and are subject to a hold period of 4 months and 1 day after issuance.

Significant Acquisitions and Dispositions

Except for the Transaction the Company has not completed any acquisitions or dispositions for the period commencing January 1, 2019 to the date of this Listing Statement. As of the date of this Listing Statement, the Company does not have any plans to complete any significant acquisition.

Trends, Commitments, Events or Uncertainties

Market Size and Opportunity

The Company believes that there is presently a sizeable legal market for psychedelic products and, further, believes that there is a promising prospect for a strong, legal psychedelic industry to emerge globally. In particular, the Company believes that over time, the psychedelic industry (and consumer perceptions thereof) will change toward better awareness and acceptance similar to that which took place in the cannabis industry. Although the legal market for psychedelic products is presently limited, globally, and in some jurisdictions, it is still in its early stages, the Company believes that the recent trends of deregulation and legalization of recreational cannabis across the globe will provide jurisdictions with the impetus to shift their focus to psychedelics, and, in time, give way to the emergence of numerous and sizable opportunities for market participants, including the Company. The Company also believes that the market for psilocybin mushrooms will continue to grow and believes that it will result in a source of revenue for the Company.

In addition to the above, the Company remains optimistic about the future of psychedelics, in general. In recent years there has been a change in the attitudes of governments and the public to the use of psychedelics in medical and scientific research[1]. Applications have been granted for psychedelic research with human subjects in the United States and several organisations now exist to promote research into psychedelics such as MAPS (Multidisciplinary Association for Psychedelic Studies)[2] Furthermore, the United States ("**U.S**.") Food and Drug Administration ("**FDA**") has granted breakthrough therapy designation for psilocybin for the treatment of major depressive disorder to the non-profit Usona Institute in 2019. Compass Pathways received the same designation from the FDA in 2018 to test the safety and efficacy of psilocybin-assisted therapy for treatment-resistant depression[3].This breakthrough therapy designation significantly shortens the drug development and review process and represents a step closer to licensing approval for this therapy in the U.S., which may be granted within the current year[4].

The U.S. medical psychedelic market was valued at USD $2 billion in 2019 and is expected to grow to USD $6.9 billion by 2027 as these treatments become more mainstream[5]. While the 2020 U.S. elections were seen as a tipping point towards federal legalization for cannabis with 5 new states legalizing some form of cannabis use, it also further opened the doors for psychedelics as Oregon and Washington D.C voters approved measures to allow for therapeutic use of psychedelic mushrooms. The cities of Denver, Oakland, Santa Cruz and Ann Arbor have also decriminalized the use of psychedelic mushrooms. During August 2020 four Canadians with incurable cancer were granted the right to use psilocybin therapy in the treatment of their end-of-life distress by the Canadian federal Minister of Health[6]. The resultant positive press and awareness around the therapeutic uses of psychedelic mushrooms has elevated the conversation and the Company is confident that with further research and trials proving the benefits of psychedelic therapies, coupled with an increasing demand for natural alternatives for mental health issues, more enabling regulations will be established globally.

The most significant trends and uncertainties which the Company's management expects could impact its business and financial condition are (i) the changing legal and regulatory regime of countries which regulates the use of psilocybin mushrooms for research,

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[1] https://psychedelic.support/resources/how-to-join-psychedelic-clinical-trial/
[2] https://maps.org/
[3] http://www.biopharmaglobal.com/2019/11/26/usona-institute-receives-fda-breakthrough-therapy-designation-for-psilocybin-for-the-treatment-of-major-depressive-disorder/
[4] https://psychedelicreview.com/analysis-of-the-future-psilocybin-pharmaceutical-market/
[5] Data Bridge Market Research Report – U.S. Psychedelic Drugs Market – Industry Trends and Forecast to 2027 – Executive Summary page 19
[6] https://www.forbes.com/sites/davidcarpenter/2020/08/08/four-terminally-ill-canadians-gain-legal-right-to-use-magic-mushrooms-for-end-of-life-distress/?sh=4652ceb32bdf

medical and clinical trial purposes as well as related products; (ii) the extent to which the COVID-19 pandemic impacts future business locally and internationally and (iii) growing changes in consumer attitudes to natural, alternative sources to currently available drugs.

Refer to the sections entitled "Narrative Description of the Business" and "Risk Factors" for more information. See also "Cautionary Statement Regarding Forward-Looking Information".

4. NARRATIVE DESCRIPTION OF THE BUSINESS

General

The Company is a life science biotechnology platform providing science forward natural products for psychedelic therapy, experience and wellness.

It has one direct wholly-owned subsidiary, Amalco (resulting from the amalgamation of MindHealth and Acquisitionco), which in turn has two wholly-owned operating subsidiaries, Psyence Therapeutics and MindHealth Lesotho. Psyence Therapeutics is a platform for business and innovation in psychedelic therapy, experience, wellness and the development and commercialization of related technologies and products. MindHealth Lesotho is an entity operating in Lesotho that is licensed to import, cultivate, produce, manufacture and export psilocybin mushrooms.

Psyence Therapeutics is developing proprietary formulations based on standardized derivatives of naturally occurring psychedelic compounds with a primary research focus on palliative oncology and depression. It will initially focus on psilocybin and intends to expand into other psychedelic treatments that are derived from nature, which can be improved, validated, and made safe by science.

Psyence Therapeutics intends to collect and aggregate data over the next 12 months leveraging relationships with third party treatment providers to inform its derisked drug development product pipeline. It further intends to develop a series of proprietary therapy and treatment protocols for specific medical indications and therapeutic environments.

With the founders of Psyence Therapeutics, the Company has a multi-disciplinary team. Dr. Sheik Muhamad Amza (Amza) Ali is an internationally recognized neurologist and epileptologist and a respected member of the Jamaican medical and scientific research community. Dr. Justin Grant has twenty years of experience in leading pharmaceutical drug development and twelve years in leadership roles at some of Canada’s top research and medical institutions such as University Health Network ("**UHN**"). UHN is the largest health research organization in North America and ranks first in Canada for total research funding. Alan Friedman is a seasoned capital market professional who has taken numerous companies public.

The Company’s registered office and corporate headquarters are in Canada. The Company has an operational office in Cape Town, South Africa and has commenced the build-out of a fully integrated cultivation, processing and product manufacturing facility to international standards in Lesotho, in Southern Africa. The facility will be operated within the scope of the license MindHealth Lesotho was granted by the Government of Lesotho.

Over the next 12 months the Company will be focussing on the following 3 business objectives:

1. cultivation and production;
2. observational studies;
3. product development.

Cultivation and production

MindHealth Lesotho is fully licensed in Lesotho to import, cultivate, produce, manufacture and export psilocybin and psilocybin mushroom products.

The Company has identified the demand for high-quality certified psilocybin mushroom products for the medical research industry. The Company, through MindHealth Lesotho, intends to cultivate psilocybin mushrooms to meet this demand at its Lesotho facility, which will be operated within the scope of the license granted to it by the Government of Lesotho.

The cultivation activities at the facility will include growing, drying, milling and packaging. The facility is being constructed in two phases, as follows:

- Phase 1: A small-scale commercial unit that has been built to International Organization for Standardization ("**ISO**") 22000 for Food Safety Management Systems and was operational in November 2020.
- Phase 2: A large-scale commercial unit is currently in the design, costing and tender phase. Construction is planned to commence as market demands dictate the supply of product required and this is currently not expected to occur within the next 12 months.

The facility layout is designed to allow for rapid expansion via further phases of construction with minimum interference to operations so as to be able to quickly scale to supply new markets as they emerge.

The Company maintains a focus on regulatory compliance and high-quality production systems. The Company is developing its Quality Management Systems ("**QMS**") in alignment with the highest quality European standards and with pharmaceutical quality assurance oversight from its in-house team of professionals.

The facility is designed to conform with the Pharmaceutical Inspection Convention and Pharmaceutical Co-operation Scheme ("**PIC/S**")[7] classification for pharmaceutical

[7] See generally Pharmaceutical Inspection Co-operation Scheme, online: <https://picscheme.org/en/about-introduction>.

processing by having a positively pressurized growing and processing environment with HEPA. This is done to align with ISO in terms of particle counts and air quality that is achieved by using specialized air cascade and high-efficiency particulate air filters to reduce risk to the environment.

The Company intends to have the facility certified by the British Standards Institute according to ISO 22000 for food safety.

The facility and processes will be assessed to ensure all risks are appropriately mitigated in the process to provide a raw material that can be used for further processing into herbal medicine or pharmaceutical products. Staff will comply with the highest standards of aseptic techniques and Good Manufacturing Practice ("**GMP**")[8] as per the site specific QMS. This is achieved by adhering to all gowning and sanitization schedules while ensuring all processes are monitored and documented to ensure that everything remains within established specifications.

The Company has budgeted a combined $231,000 for operational and capital expenditure for cultivation and production for the next 12 months.

The Company's business requires specialized knowledge and technical skill around mycology, construction, project management, quality assurance, and distribution of products through various channels and across countries. Aside from the Company's directors and officers, the Company has qualified and experienced specialists under the management service agreement with Highlands Ventures. The Company also has contracts with consultants who provide specialized knowledge and technical skill in the following areas of expertise: financial accounting and reporting, mycology, quality assurance, legal and commercial.

Other than fluctuation in consumer demands and general economic conditions that affect consumer spending, the Company does not believe its business will be impacted by seasonality.

Observational studies

Medical retreats and therapies have been conducted using psychedelics such as psilocybin and have helped thousands of people with severe disorders. Leveraging these third party retreat and therapy provider partners that have nearly 20 years of experience, the Company will conduct a series of observational (prospective and retrospective) studies amongst specific patient cohorts.

These studies are designed to provide support for the Company's wellness and medical product pipeline. Although observational trials are designed not to control the research environment, the Company will collect this type of data to provide early signals on therapeutic conditions and to de-risk its product performance in more standardized clinical

[8] See European Commission GMP guidelines online:
< https://ec.europa.eu/health/human-use/good_manufacturing_distribution_practices_en>.

trials (i.e. phase 2/3 randomized controlled trials) in the future. The Company's observational studies are conducted by an experienced neuropsychiatrist on its team and involves the use of standardized and validated survey tools in order to measure the safety, efficacy and improvement of quality of life endpoints.

Psilocybin therapy and retreat participants are presented with the list of validated survey questions at important stages in their psychedelic assisted therapy. The areas of clinical interest to the Company with significant numbers of retreat participants include post-traumatic stress disorder ("**PTSD**"), anxiety, depression and addiction. The Company will collect, aggregate, and analyse clinic and retreat datasets to assist in the development and optimization of formulations that target these indications and potentially provide insights into other potential conditions that may benefit from psychedelic therapies.

MindHealth Lesotho is exploring an opportunity to establish a medically supervised and curated clinic in Lesotho to conduct observational studies on the use of psilocybin mushroom products in treating anxiety and depressive disorders. This is expected to be a first for the African region. The commencement of such observational studies is subject to MindHealth Lesotho securing the necessary permissions from the Lesotho regulator, issued pursuant to the Drugs of Abuse Act.

This project is being led by a qualified medical team and a special projects manager based in Lesotho. This project will only proceed if the required permissions are granted by the Lesotho regulator.

The Lesotho clinic will further provide the Company with the ability to perform research on a slow release product using the psilocybin mushrooms cultivated at its facility in Lesotho.

$721,000 is budgeted to be spent on observational studies during the next 12 months.

Product Development

<u>Formulation development</u>

Psyence intends to collect and aggregate data based on the observational studies it intends to undertake over the next 12 months, leveraging relationships with third party treatment providers to inform and engage in derisked drug and product development formulation work. Such relationships with third party treatment providers are in progress and still to be finalized.

The Company has engaged Lonacas Consultants, based in Jamaica to leverage outsourced product formulation. Guided by the accretive Psyence expertise and resources, the Company will focus on optimizing proprietary formulations customized to specific medical and therapeutic indications. These proprietary formulations will then be brought forward to clinical validation through its derisked drug and product development pipeline as prioritized by the Company.

Once the formulations and indications have been identified, the Company will work with Lonacas to recruit the required patient cohorts to engage in phase 1 (safety) and phase 2 (safety and efficacy) clinical studies.

For each formulation, once complete, and pending legal advice on patentability, the Company intends on filing for patent protection, with such first filing anticipated within 12 months.

Slow release product

The Company is developing a proprietary slow release product through its relationship with Lonacas which it expects to be completed by the end of 2021. The Company will vet and contract with a GMP approved contract manufacturer to produce the formulation, after which it intends to commence with clinical observational studies to establish bioavailability (i.e. the extent and rate at which the active drug or metabolite enters systemic circulation) of this product.

The Company has identified a demand for standardised and certified raw material for researchers looking into the benefits and efficacy of psilocybin globally. The Company intends to develop products to service this research market and produce them in its cultivation facility in Lesotho. The completion of first harvest is anticipated for Q1 2021 and products are expected to be ready in Q2 2021 with export planned for Q3 2021.

The costs associated with product development are budgeted to be $1,065,000 during the next 12 months.

Business objectives, significant milestones, time periods and estimated expenditure

Business Objectives (1)	Time Period (1) (2)	Estimated Expenditure (1)
Cultivation and production		
• Capital expenditure	0 to 3 months	$100,000
• Commencing of cultivation including first harvest, sourcing of spores and hiring of mycologist and microbiologist	0 to 3 months	$20,500
• First export	6 to 9 months	$40,000
• Ongoing cultivation and production expenditure post first harvest	4 to 12 months	$70,500
Observational studies		
• Data collection from 3rd party retreat patient cohorts	0 to 3 months	$360,000
• Observational studies at Lesotho clinic	6 to 9 months	$361,00

Product development		
• Hiring of product development specialist	0 to 3 months	$85,000
• Engage consultants to develop slow-release product	0 to 3 months	$130,000
• Begin formulation development	0 to 3 months	$137,000
• Commence clinical observational studies	4 to 12 months	$713,000
Total		**$2,017,000**

Note:

(1) There may be circumstances where for sound business reasons the Company reallocates the funds, determines to not proceed with a milestone or time periods are revised.

(2) Based on calendar year-end.

Total available funds

The Company has working capital as at October 31, 2020 of $5,842,729 (unaudited).

Principal purpose of Total Available Funds

The table below shows the principal purposes for which part of the available funds are expected to be utilised over the next 12 months. As at October 31, 2020, it is estimated that after giving effect to the proposed expenditures over the next 12 months, the Company will have $2,294,510 in available funds.

Principal purposes	**Estimated amount**
Working capital available as at October 31, 2020	5,842,729
Cost directly attributable to business objectives	(2,017,000)
General and administrative expenses (1)	(901,219)
Professional and consulting fees	(630,000)
Excess funds available after 12 months	**2,294,510**

Note:

(1) General and administrative expenses consist of salaries and wages ($178,500), travel ($135,833), insurance ($188,333), rent ($2,000), electricity ($5,000), bank charges ($6,600) and other costs not directly attributable to production ($384,952).

Accordingly, management believes that not only is the Company adequately funded to achieve its business objectives over the next 12 months, it estimates that it will have approximately $2,294,510 of excess funds available after doing so.

Employees

The Company and its subsidiaries currently have 4 full-time staff, and approximately 13 people are retained as independent contractors of either the Company or its subsidiaries. The Chief Finance Officer of the Company and Chief Operating Officer of Psyence Therapeutics are independent contractors who are contracted on a full time basis to the Company. Other key independent contractors who provide a majority of their time to the Company are a qualified commercial lawyer with international emerging market experience, a qualified pharmacist responsible for quality assurance and regulatory compliance, a strategy and product development specialist and a general manager with commercial experiences. Dr Ali will be a director of the Company and the Group Medical Advisor, with Dr Justin Grant serving as an independent contractor. Bayline Capital Partners Inc. will perform the role of capital markets advisor to the Company.

In the ordinary course of business, the Company outsources all operational aspects of its business to third party contractors including accounting and administrative services, cultivation, quality management, facility management, legal services, business development, compliance, project management and execution. All third-party contractors are thoroughly assessed and interviewed before contracting with them to ensure that they have the necessary skills and experience required.

Competitive conditions in the principal markets and geographic areas

MindHealth Lesotho is the holder of a federally issued license which permits MindHealth to import, cultivate, produce, manufacture and export psilocybin or forms thereof as an active pharmaceutical ingredient and export psilocybin, in all forms, to medicinal and pharmaceutical companies.

MindHealth Lesotho holds a 10-year (renewable) lease to conduct its psilocybin cultivation activities and processing facility on a 5,700 m^2 site secured within a cultivation and processing hub. The hub is the property of Highlands Pure Lesotho and it is currently being audited for Good Agricultural Practise (GAP) and GMP accreditation.

A competitive advantage of operating in Lesotho is that it has enabling legislation (namely the *Drugs of Abuse Act*) where controlled substances are concerned. Authority and discretion have been delegated to the Ministry of Health to evaluate the scientific and medical merits of activities involving controlled substances. Accordingly, the Minister of Health has the power to promulgate regulations governing all aspects of cultivation, production, manufacture, storage and distribution of controlled substances.

These enabling provisions allow the Minister of Health (Lesotho) to recognize that the use of psychotropic substances, such as psilocybin, for medical and scientific purposes is necessary and beneficial and that their availability for such purposes should not be unduly restricted. This is in stark contrast to other jurisdictions around the world where psilocybin has either been classified as a substance bearing no medicinal or therapeutic value or has been unjustly and immorally criminalized to the point that it is so tightly controlled, that access thereto is near impossible. The Ministry of Health (Lesotho) has demonstrated its willingness to exercise Lesotho's sovereign powers to the benefit of its people while at the same time implementing comprehensive regulations and supervisory measures to combat the illicit manufacture or use of controlled substances. This progressive approach is, for example, demonstrated through the responsible regulation of cannabis in Lesotho which has attracted considerable foreign investment into the region.

Current Legislative Framework

Southern Africa

Please note that while the Company is exploring opportunities in South Africa, it is currently not conducting any active business in that jurisdiction. It is only the management services team that operates primarily from Cape Town, South Africa via Highlands Ventures. The following legal and regulatory regimes are applicable to the Company's business in Southern Africa:

South Africa

Medicines (registered and traditional), health supplements, controlled substances and foodstuffs are governed by the following pieces of legislation in South Africa:

- Drugs and Drug Trafficking Act, No 140 of 1992;
- Medicines and Related Substances Act, No 101 of 1965;
- Traditional Health Practitioners Act, No 22 of 2007;
- Foodstuffs, Cosmetics and Disinfectant Act, No 54 of 1972;
- Pharmacy Act, No 53 of 1974; and
- all notices and regulations issued in accordance with the above Acts.

The provisions of the Medicines and Related Substances Act are most relevant to the Company's business. This Act, among other things, provides for the registration of medicines and related substances intended for human and for animal use, makes provision for the prohibition on the sale of medicines which are subject to registration and are not registered, provides for the control of medicines and scheduled or controlled substances and provides for the establishment of a regulatory body to implement the provisions of the Act. Psilocin (4-hydroxy-NN-dimethyltryptamine) and psilocybin (4-phosphoryloxy-NN-dimethyltryptamine) are listed in the schedules to the Act as schedule 7 substances, making these substances subject to strict controls. For example, no person shall acquire, use, possess, manufacture, or supply any schedule 7 substance unless he or she has been issued with a permit by the Director-General: Health for such acquisition, use, possession, manufacture, or supply. The Director-General: Health may, subject to such conditions as he or she may determine, acquire or authorise the use of any schedule 7 substance in order to provide a medical practitioner, analyst, researcher or veterinarian therewith on the prescribed conditions for the treatment or prevention of a medical condition in a particular patient, or for the purposes of education, analysis or research. Further, no person shall import or export any schedule 7 substance unless a permit has been issued to him or her by the Director-General: Health in the prescribed manner and subject to such conditions as may be determined by the Director-General: Health.

The South African Health Products Authority ("**SAHPRA**"), an entity of the National Department of Health, is the regulatory authority of South Africa which is responsible for the regulation of health products intended for human and animal use, the licensing of manufacturers, wholesalers and distributors of medicines and medical devices (among other things) and the conduct of clinical trials. In general, the dealing in any medicine or scheduled substance is subject to the licencing regime set out in section 22C of the Act. Under this section SAHPRA may, on application, issue to a manufacturer, wholesaler or distributor of a medicine or scheduled substance a licence to manufacture, import, export, act as a wholesaler of or distribute, as the case may be, such medicine or scheduled substance upon such conditions as to the application of such acceptable quality assurance principles and good manufacturing and distribution practices as SAHPRA may determine.

South Africa is a signatory to the International Narcotics Laws which influence domestic laws and shifts in drug-related government policy.

Lesotho

Controlled or scheduled substances are governed by the following pieces of legislation in Lesotho:

- Drugs of Abuse Act; and
- all notices and regulations issued in accordance with the above Act.

Lesotho is a signatory to the International Narcotics Laws, the provisions of which have been domesticated in Lesotho through the Act. In terms of the Act psilocin and psilocybin are controlled substances under schedule 1 of the Act (defined as a prohibited drug or drug of abuse). This is aligned with schedule 1 of the 1971 Convention. The Act confers broad powers on the Minister of Health to regulate substances necessary for medicinal purposes. For example, section 108 of the Act provides that the Minister may make regulations prescribing all the matters necessary or convenient for giving effect to the provisions of the Act, which includes the power to amend any schedule by adding or deleting a controlled substance to or from the relevant schedule or by transferring it from one schedule to another. In making such a decision, the Minister will have regard to the manner in which a substance is treated under the International Narcotics Laws and the extent to which any likely public detriment associated with the actual or potential abuse of the controlled substance might outweigh any likely public benefit associated with its actual or potential medical or scientific use. Accordingly, if the Minister is of the opinion that a controlled substance is necessary for scientific or medicinal purposes he may reschedule such substance to create easier access thereto or exempt such substance from the operation of the Act or regulations all together (see section 98, read with section 5(3) of the Act).

Division 2 of the Act (sections 7 to 27) provides for a comprehensive registration, licencing and permitting system. To ensure that there is no significant risk that controlled substances may be diverted from lawful use to the unlawful manufacture of any scheduled substance in Lesotho or elsewhere, the Minister, by regulations, may determine in relation to any operator or class of operators (being any person who carries on a business of the manufacture, acquisition or supply of a controlled substance) which control measure or combinations of measures shall apply. Such control measures include, *inter alia*, the granting of a licence to deal in a controlled substance and in the case of import and export activities, registration, licencing and permits. An operator who is required by this Act to be licensed shall apply in writing to the Minister of Health for the granting of a licence to carry on a business of the manufacture, acquisition or supply of a controlled substance.

Canada

The Company does not currently have any Canadian operations which feature the research, development, distribution, or use of psychedelics.

In Canada, oversight of healthcare is divided between the federal and provincial governments. The federal government is responsible for regulating, among other things, the approval, import, sale, and marketing of drugs such as psilocybin and other psychedelic substances, whether natural or novel. The provincial/territorial level of government has authority over the delivery of health care services, including regulating health facilities, administering health insurance plans such as the Ontario Health Insurance Plan, distributing prescription drugs within the province, and regulating health professionals such as doctors, psychologists, psychotherapists and nurse practitioners. Regulation is generally overseen by various colleges formed for that purpose, such as the College of Physicians and Surgeons of Ontario.

Certain psychoactive compounds, such as psilocybin, are considered controlled substances under Schedule III of the CDSA. In order to conduct any scientific research, including pre-clinical and clinical trials, using psychoactive compounds listed as controlled substances under the CDSA, an exemption under Section 56 of the CDSA ("**Section 56 Exemption**") is required. This exemption allows the holder to possess and use the controlled substance without being subject to the restrictions set out in the CDSA. The Company has not applied for a Section 56 Exemption from Health Canada.

The possession, sale or distribution of controlled substances is prohibited unless specifically permitted by the government. A party may seek government approval for a Section 56 Exemption to allow for the possession, transport or production of a controlled substance for medical or scientific purposes. Products that contain a controlled substance such as psilocybin cannot be made, transported or sold without proper authorization from the government. A party can apply for Dealer's License under the Food and Drug Regulations (Part J). In order to qualify as a licensed dealer, a party must meet all regulatory requirements mandated by the regulations including having compliant facilities, compliant materials and staff that meet the qualifications under the regulations of a senior person in charge and a qualified person in charge. Assuming compliance with all relevant laws (Controlled Drugs and Substances Act, Food and Drugs Regulations) and subject to any restrictions placed on the license by Health Canada, an entity with a Dealer’s License may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the Food and Drugs Regulations – which includes psilocybin and psilocin) (see s. J.01.009 (1) of the Food and Drug Regulations).

Business and Operating Environment

The following section is prepared with regard for OSC Staff Notice 51-720 – *Issuer Guide for Companies Operating in Emerging Markets*. For additional discussion about emerging market disclosure matters, please see Section 17 – Risk Factors.

The Company’s Lesotho operating subsidiary, MindHealth Lesotho, will be subject to the corporate law of Lesotho and is therefore subject to its legal framework.

No restrictions or conditions have been imposed by the government of Lesotho and its regulatory authorities on the ability of MindHealth Lesotho to operate its business, other than the conditions set out in the MindHealth Lesotho licence.

MindHealth, via the management services agreement with Highlands Ventures, has a local Lesotho presence to manage Lesotho government and regulatory authorities. This includes a Country Manager and a Government Liaison Officer who travel to Lesotho from neighbouring South Africa regularly. Mind Health Lesotho has also engaged two local law firms, Webber Newdigate Attorneys and M.T. Khiba Legal Practice, to assist with local matters.

The Company will engage professional advisors (legal, financial, and technical) with the relevant expertise to provide assistance in the political, legal and cultural realities of Lesotho and the impact they may have on the Company’s business or operations on an as-needed basis. Additionally, the Company’s management team has a long and successful history of doing business in Lesotho and Southern Africa. The Company’s management team has experience engaging with local communities and chiefs as well as a working knowledge of the country's local legal, regulatory and political landscape. The management team's technical division is well acquainted with the country's natural terrain as well as its climactic and infrastructure related challenges. Furthermore, the Company’s CEO, CFO and the contracted commercial lawyer all have experience engaging with various government officials in Lesotho, ranging from the Minister of Health to the Central Bank of Lesotho and the Lesotho Revenue Authority.

The Company has two bank accounts in Lesotho with FNB Lesotho Limited. FNB Lesotho Limited is a subsidiary of FNB, division of FirstRand Bank Limited. FNB Lesotho Limited and FirstRand Bank Limited are licenced financial service providers with the Central Bank of Lesotho and Reserve Bank of South Africa respectively. The Company uses these bank accounts to receive funds and settled payments within Lesotho and South Africa.

See also the Section entitled "Risk Factors - Exchange Controls, Currency Fluctuations and Credit Risks".

Language and Cultural Differences

The primary language of business in Lesotho is English, with Sesotho as a secondary language, and occasionally Afrikaans. All employees and consultants of the Company and its subsidiaries speak English fluently. The Company has personnel available to communicate in Sesotho and Afrikaans. All business records and documents will be prepared in English or translated from Sesotho or Afrikaans into English. The directors and officers travel to Lesotho monthly while consultants more directly involved in operational matters travel to Lesotho every two weeks (subject to COVID-19 travel restrictions).

The directors and officers of the Company are also experienced in doing business in Southern Africa and able to draw on the expertise of lawyers, auditors, and other professional experts who are based in Southern Africa, as needed.

The Company currently leases all its land in Lesotho. Under Lesotho's legal system and customs, leasing rights are respected and there are no laws which will arbitrarily interfere with leasing rights.

It is anticipated that the Company's Canadian board members and management will visit the Company's operations in Lesotho as often as is necessary. It is expected that the Company's Southern Africa resident directors and officers will visit Canada as often as is necessary. Current COVID-19 travel restrictions have limited recent travel between Canada and Southern Africa.

The Company's books and records are kept in Canada and Lesotho and both countries accounting bodies apply IFRS. The Company employs an outside chartered accountant to assist it in preparing its financial statements. The outside accountant is based in Canada, is fluent in English and is familiar with both IFRS and Generally Accepted Accounting Principles (GAAP) of Canada and disclosure requirements. The CFO is a qualified chartered accountant and has oversight and reviews the Company's book and records in Canada and Lesotho. Directors have full access to the CFO and outside accountants as well as accounting records of both the Company and MindHealth.

Enforcement of Legal Rights – Southern Africa

The fact that significant corporate assets are located in Lesotho may hinder an investor's ability to exercise or enforce statutory rights and remedies under Canadian securities laws. The Kingdom of Lesotho is a sovereign, independent, landlocked country within the border of South Africa. Lesotho's legal system is based on UK common law and Roman-Dutch law and although it shares a mixed general legal system with its fellow Africa countries South Africa, Botswana, Swaziland, Namibia and Zimbabwe, its law operates independently. Lesotho has its own Constitution, enacts its own legislation and has its own judicial system. Lesotho courts will recognize and enforce foreign judgments in accordance with its common law or in terms of the Reciprocal Enforcement of Judgments Proclamation No. 2 of 1922 and the New York Convention of 1958, to which it is party.

The enforcement of foreign judgments in South Africa is governed by the common law (unless the judgment has been handed down in Namibia). In general, one must file an application with the High Court or alternatively, one can proceed by provisional sentence summons. The following will, *inter alia*, need to be alleged and proved in order to enforce a foreign judgment in South Africa:

1. The foreign court must have had jurisdiction to adjudicate the principle case;
2. The judgment must be final and not subject to appeal or have been superannuated;
3. The enforcement must not be contrary to South African public policy; and
4. The judgment cannot be for penalties or fines imposed by a foreign state.

The enforcement of foreign judgements in South Africa is not particularly costly as junior advocates are competent to attend to these matters at a very economical rate.

Corporate Structure

The Company has a typical corporate structure with a Canadian parent and wholly-owned domestic and foreign subsidiaries. The Company may in the future simplify the corporate structure. The Company does not use special purpose entities or unusual business structures. The current structure does not limit the Company's abilities to oversee and monitor Lesotho operations.

Jody Aufrichtig, the Company's CEO, is in constant communication with the management of MindHealth and Psyence Therapeutics and provides timely updates to the board of directors of the Company.

There are no additional risks associated with the Company's structure resulting from the fact that the Company's business operations are based in Lesotho.

Related Parties

The Company has not developed a formal policy regarding related party transactions, but each of its board members have been made aware of their fiduciary duties and the requirements of *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Each board member is aware that he or she must disclose his or her interest in the transaction to the other board members and abstain from voting on the resolution approving the transaction.

The directors and officers of the Company and its subsidiaries are required by law to act honestly and in good faith with a view to the best interests of the Company and its subsidiaries, as the case may be, and to disclose any interests, which they may have in any project or opportunity of the Company or its subsidiaries. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his or her interest and abstain from voting on such matter. It is expected that all conflicts of interest will be resolved in accordance with the provisions of the OBCA.

The Company scrutinizes such transactions to determine whether related parties have a direct or indirect interest in those transactions.

Risk Management and Disclosure

The Company conducts business in Lesotho which has experienced high levels of business corruption. Transparency International ranks Lesotho 85th out of 198 countries in the 2019 Corruption Perceptions Index. The Company and its personnel are required to comply with applicable anti-bribery laws, including the *Canadian Corruption of Foreign Public Officials Act*, as well as local laws in all areas in which the Company does business. These, among other things, include laws in respect of the monitoring of financial transactions and provide a framework for the prevention and prosecution of corruption offences, including various restrictions and safeguards. However, there can be no guarantee that these laws will be effective in identifying and preventing money laundering and corruption.

While the Company does not anticipate dealing with banking restrictions, there is a risk that banking institutions in countries where the Company operates will not accept payments related to the psilocybin mushroom industry.

Lesotho's government and regulatory bodies contain broad powers and authority to issue, alter, or revoke licenses and permits which are vital to the Company's business operations in the country. The power to revoke or suspend such licenses and permits can only be exercised on certain prescribed grounds and provided that it is deemed necessary and reasonable to prevent the risk of unlawful diversion. Such powers can therefore not be exercised arbitrarily. There is also a corresponding lack of well-established and independent processes to appeal regulatory or government actions that are unfavourable to the Company's business operations. Therefore, the Company's operations are subject to risks associated with obtaining and maintaining licenses and permits from appropriate governmental authorities.

The Company may be adversely affected by the fluctuations in currency exchange rates and high inflation to the extent that the Company conducts business transactions involving South African Rand or Lesotho Loti. The currency risks associated with the local currency include the possibility of the government imposing exchange controls or limits to the availability of hard currency and other such banking restrictions.

The Company's board of directors regularly assesses risks and will update its disclosure records when new material risks emerge.

Internal Controls

The finance and management team have experience working for internationally listed companies, and the Company has used this experience to design and implement internal controls and procedures.

Once an item is identified for purchase, a vendor engagement form is completed if it is a new vendor. This form captures all the necessary vendor details such as tax registration numbers, company name and address and bank details. Bank details on the vendor form and those captured in the online banking system are confirmed by a bank stamped confirmation letter from the vendor's bank to ensure these details are accurate and complete. The CFO approves all bank account detail additions and changes in the banking system after review of the aforementioned documentation. This control ensures no payments are made to fraudulent or incorrectly captured bank accounts.

A purchase order request document is then completed and authorized via a three level authorization matrix. Once authorized, a purchase order is raised and issued to the vendor. Once the goods or services are delivered and the site delivery note signed off, a payment certificate is completed and signed off by the manager and managing director. Payments are released by the CFO after review of the documentation above.

No cheques are used due to the high risk of fraud with this method of payment. Bank reconciliations are performed weekly and reviewed by the CFO and CEO.

The Company believes that operating in Lesotho does not result in risks in maintaining internal controls. The design, implementation and maintenance of internal controls ensure the Company’s financial statements accurately represent the recording of transactions and fairly present the consolidated financial statements in accordance with International Financial Reporting Standards.

Oversight of external auditor

MindHealth Lesotho has appointed PKF Lesotho as its external auditor. PKF Lesotho has a strong presence in Lesotho and was specifically selected due to their full membership of PKF International and experience in auditing companies that operate in a controlled substances environment. PKF International is a global network of accountancy firms that operates in 150 countries across 5 regions and has offices in Canada.

PKF Lesotho has experience in the accounting and tax rules of the Lesotho and has dealt with the audit of companies that have parent entities in Canada.

PKF is responsible for the MindHealth Lesotho company audit as well as any audit work or procedures required of it to be performed in Lesotho by MNP LLP, the Company’s external auditors.

The Lesotho *Companies Act of 2011* requires Lesotho incorporated companies to prepare financial statements in accordance with the accounting standards prescribed by the Lesotho Institute of Accountants ("**LIA**"). In 2005, the LIA Council adopted IFRS and IFRS for small and medium-sized enterprises (SMEs) as issued by the International Accounting Standards Board (IASB). This Council decision requires automatic adoption of all new and revised IFRS.

The CFO is responsible for the managing the relationship with PKF.

The most recent set of audited financial statements for MindHealth Lesotho was for the three month period ending May 31, 2020.

Enforcement of Legal Rights - Lesotho

A foreign judgment is not directly enforceable in Lesotho, however foreign judgments may be placed before a court in Lesotho for it to be recognised domestically and thereafter enforced in Lesotho as a judgement of the High Court of Lesotho.

Foreign judgments can be enforced domestically by making use of the common law or in terms of the Reciprocal Enforcement of Judgments Proclamation No. 2 of 1922. In terms of this Act, judgments obtained in the High Courts of England, Ireland, or Scotland can be enforced by use of the Proclamation. The Proclamation has been extended to include Botswana, Eswatini (formerly Swaziland), Zimbabwe, Zambia, Tanzania, Malawi, Kenya, New Zealand, Australia, and Uganda.

Foreign awards are dealt with in terms of the Convention on the New York Convention, to which Lesotho is party.

Attempts to bring civil actions in Lesotho may be confronted with a number of issues including jurisdictional issues if the subject matter of the complaint took place outside of Lesotho, and costs to bringing such actions, including retaining local counsel, language barriers, and obtaining certified translations of documents. The costs of bringing an action in Lesotho may make it prohibitive for investors in Canada.

Enforcement of Legal Rights

The Company is incorporated under the laws of the Province of Ontario. The Company's business operations are primarily located in Lesotho. The Company's registered office is in Canada and its head office is in Lesotho. All of the Company's assets are located outside of Canada. The majority of the Company's directors and officers reside within Canada but a substantial portion of their assets are located outside of Canada. As a result, shareholders may not be able to effect service of process within Canada upon certain of the Company's directors or officers or to enforce judgments against certain of the Company's directors or officers in Canadian courts predicated on Canadian securities laws. Likewise, it may also be difficult for a shareholder to enforce judgments obtained against these persons in courts located in jurisdictions outside of Canada, in Canadian courts. It may also be difficult for a shareholder to bring an original action in a Lesotho or other foreign court predicated upon the civil liability provisions of Canadian securities laws against the Issuer or these persons.

Judgments of Canadian courts based upon the civil liability provisions of Canadian securities law may be enforceable against the Issuer Southern Africa. Please refer to the paragraphs above titled Enforcement of Legal Rights – Southern Africa" and "Enforcement of Legal Rights - Lesotho", for more information on how foreign judgements can be enforced in Southern Africa.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated pro-forma financial information of the Company as at October 31, 2020 after giving effect to the Transaction as if it had been completed on that date and should be read in conjunction with the unaudited pro forma financial statements of the Company. See schedule G containing the pro-forma financial statements for the Company, assuming completion of the Transaction, as at October 31, 2020.

Selected Consolidated Financial Information

Statement of Loss	**Period from incorporation on May 21, 2020 to October 31, 2020 (Unaudited) ($)**
Total revenue	Nil
Expenses	(631,008)
Other income	6,693
Net loss	(624,315)

Statement of Financial Position	**As at October 31, 2020 (Unaudited) ($)**
Current assets	12,801,775
Non-current assets	5,364,013
Total Assets	**18,165,788**
Current liabilities	225,702
Non-current liabilities	53,506
Total Liabilities	279,208
Shareholders' Equity	10,703,887
Total Liabilities and Shareholders' Equity	**18,165,788**

No cash dividends were declared for the period ending 31 October 2020.

5.3 Dividends

The Company intends to retain its earnings, if any, to finance the growth and development of its business and does not expect to pay dividends or to make any other distributions in the near future. There are no restrictions that could prevent the Company from paying dividends and the board of directors will review the dividend policy from time to time after considering financing requirements, financial conditions and other factors considered to be relevant.

5.4 Foreign GAAP

The consolidated financial statements of the Company have been prepared in accordance with IFRS issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Cardinal's management discussion and analysis ("**MD&A**") for the six months ended June 30, 2020 and for the years ended December 31, 2019 and 2018 are attached hereto as Schedules "B" and "D" respectively and are also available on SEDAR at www.sedar.com.

MindHealth's MD&A is dated as of December 4, 2020 and describes the operating and financial results of the company for the period from incorporation on May 21, 2020 to October 31, 2020. This is attached as Schedule "F" hereto.

7. MARKET FOR SECURITIES

The Company Shares are not currently listed for trading on the CSE. Prior to listing on the CSE, the Cardinal Shares were unlisted since delisting from the NEX Board of the TSX Venture Exchange on March 28, 2018. This Listing Statement has been prepared in connection with the Company's application to list the Company Shares on the CSE.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Company after giving effect to the Transaction based on the pro forma financial statements of the Company attached as Schedule G hereto:

Security	Amount Authorized	Amount Outstanding After Giving Effect to the Transaction
Company Shares	Unlimited	85,528,931

Company Options	10% of Company Shares(1)	7,432,055
Company Warrants	N/A	8,910,553

Note: (1) Based on the Company's current capitalization, 10% of the Company Shares equals 8,552,893. The number of stock options that the Company may grant will be limited by the terms of the Company Option Plan and policies of the CSE.

9. OPTIONS TO PURCHASE SECURITIES

The Company has granted the following options to purchase shares outstanding:

Category	Number of Options	Exercise Price per Company Share	Expiry Date
Current executive officers and all current and past directors of the Company	2,881,792	$0.30	December 31, 2025
Past executive officers and all current and past directors of the Company	N/A	N/A	N/A
All other employees of the Company	325,000	N/A	N/A
All consultants of the Company	4,225,263	$0.30	December 31, 2025
All previous employees of the Company	Nil	N/A	N/A
Any other person	Nil	N/A	N/A

On November 28, 2018, Cardinal granted to directors, officers and consultants incentive stock options to purchase a total of 155,925 common shares on a post Consolidation basis at an exercise price of $0.19 per share, expiring on November 28, 2023 due to the optionees ceasing to occupy their positions. These options were exercised immediately prior to the Transaction.

All of the Company Options were granted pursuant to the Company Option Plan, which is the successor to the Cardinal stock option plan originally adopted in 2008. The purpose of the Company Option Plan is to encourage common share ownership in the Company by directors, officers, employees and consultants of the Company and its subsidiaries or affiliates. The aggregate number of shares of the Company reserved for issuance and which may be issued and sold under the Company Option Plan, or any other stock option plans of the Company, shall not exceed ten percent (10%) of the total number of issued and outstanding shares (calculated on a non-diluted basis) from time to time. The total number of shares which may be reserved for issuance to any one individual under the Company Option Plan within any one year period shall not exceed 5% of the outstanding issue.

Any shares subject to an option which for any reason are cancelled or terminated prior to exercise will be available for a subsequent grant under the Company Option Plan. The option price for any common shares cannot be less than the price permitted by any stock exchange on which the common shares are then listed or other regulating body having jurisdiction. Options granted under the Company Option Plan may be exercised during a period of time fixed by the board of directors up to the maximum period permitted by any stock exchange on which the common shares are then listed or other regulatory authority having authority, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries or affiliates, as applicable, or upon the optionee retiring, becoming permanently disabled or deceased.

The options are non-transferable. The Company Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company's capitalization. The board of directors may from time to time amend or revise the terms of the Company Option Plan or may terminate the Company Option Plan at any time.

10. DESCRIPTION OF THE SECURITIES

Description of the Company’s Securities

The Company is authorized to issue an unlimited number of common shares without par value, of which 85,528,931 common shares are currently issued and outstanding as fully paid and non-assessable shares, and an unlimited number of preferred shares, of which none are issued and outstanding. This represents an increase of 53,462,352 shares from the 32,066,579 shares that were issued and outstanding prior to giving effect to the completion of the Transaction and the issuance of Finder’s Fee shares (referred to in Section 3 – *General Development of the Business*) in connection therewith.

The Company has 8,910,553 warrants outstanding. 8,792,598 warrants are exercisable to purchase one Company Share at an exercise price of $0.30 per Company Share until December 31, 2023 while 117,955 warrants are exercisable to purchase one Company Share at an exercise price of $0.3286 per Company Share until December 31, 2022. Additionally, 7,432,055 Company Options have been granted pursuant to the Company Option Plan, each such option entitling the holder to purchase one Company Share.

Each Company Share entitles the holder thereof to one (1) vote at meetings of Company shareholders. The holders of Company Shares are entitled to receive dividends if, as and when declared by the Company’s board of directors. In the event of liquidation, dissolution or winding-up of the Company, the holders of the Company Shares are entitled to share ratably in any distribution of the property or assets of the Company.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions, which are capable of requiring a security holder to contribute additional capital.

Miscellaneous Securities Provisions

None of the matters set out in Sections 10.2 to 10.6 of CSE Form 2A are applicable to the share structure of the Company.

Prior Sales

The Company

The prior sales of securities of the Company over the past twelve (12) months are listed in the following table (on a post-Consolidation basis):

Date Issued	Number and Type	Issue or Exercise Price per Share	Nature of Consideration
January 19, 2021	1,999,995 Company Shares(1)	$0.30	Finder's Fee
January 19, 2021	83,528,936 Company Shares(1)	$0.30	Issued to MindHealth shareholders under the Definitive Agreement

Note:

(1) Number and price of shares are after giving effect to the Consolidation.

Cardinal

Cardinal did not issue any shares in the twelve (12) months prior to the Transaction.

MindHealth

The prior sales of securities of MindHealth over the past twelve (12) months are listed in the following table:

Date Issued	Number and Type	Issue or Exercise Price per Share	Nature of Consideration
May 21, 2020	1 common share	$0.01	Allotment
May 22, 2020	24,000,000 common shares	$0.15	Share exchange
June 30, 2020	6,340,000 common shares	$0.25	Private Placement
August 31, 2020	12,826,884 common shares	$0.25	Private Placement
December 4, 2020	6,756,113 common shares	$0.25	Private Placement
December 31, 2020	2,570,000 common shares	$0.25	Private Placement
January 15, 2021	5,427,520 common shares	$0.35	Private Placement
January 18, 2021	800,000 common shares	$0.35	Subscription receipt

Stock Exchange Price

None of the securities of Cardinal or MindHealth were listed on any stock exchange in the 12 months prior to the date hereof.

11. ESCROWED SECURITIES

Upon listing of the Company Shares on the CSE, securities held by "Principals" of the Company will be held in escrow, as required under the policies of the CSE. For the purposes of this section, "Principals" means the (i) directors and senior officers of the Company or any material operating subsidiary, (ii) Promoters of the Company during the two (2) years preceding the Amalgamation, (iii) holders of more than 10% of the outstanding Company Shares who also have a right to elect or appoint a director or senior officer of the Company or a material operating subsidiary, (iv) holders of more than 20% of the outstanding Company Shares, (v) companies, trusts, partnerships or other entities held more than 50% by one or more of the foregoing, and (vi) spouses or other relatives that live at the same address as any of the foregoing. The securities will be held in escrow by Odyssey Trust Company, as escrow agent and depositary pursuant an escrow agreement dated January 20, 2021 (the "**Escrow Agreement**"). 10% of such securities held in escrow will be released from escrow on the date the Company Shares are listed on the CSE, and 15% every six (6) months thereafter, subject to acceleration provisions provided for in National Policy 46-201 – *Escrow for Initial Public Offerings.*

The following table sets forth details of the securities of the Company to be held in escrow following the listing of the Company Shares on the CSE:

Name and Municipality of Residence of Security Holder	Designation of class	Number of securities held in escrow	Percentage of class
Jody Aufrichtig	Common	4,099,784	4.7934%
Jody Aufrichtig	Warrants	985,178	1.139%
Amza Ali	Common	4,145,472	4.847%
Mike Dacks	Common	958,490	1.121%
Gavin Basserabie (1)	Common	2,978,039	3.482%

Note:

(1) Shares are held by Blue Alpine (Pty) Ltd, as trustee for ADS Trust. Gavin Basserabie is a beneficiary of, and exercises control over, the ADS Trust.

The Company Shares held in escrow are subject to release in accordance with the following timeline:

Release Dates	Percentage of Total Escrowed Securities to be Released
Date that common shares commence trading on the CSE (the "**Listing Date**")	10% of the escrowed securities
6 months after the Listing Date	16.6% of the remaining escrow securities
12 months after the Listing Date	20% of the remaining escrowed securities
18 months after the Listing Date	25% of the remaining escrowed securities
24 months after the Listing Date	33% of the remaining escrowed securities
30 months after the Listing Date	50% of the remaining escrowed securities
36 months after the Listing Date	the remaining escrowed securities

In addition to the above, two of the Psyence Therapeutics founders and their spouses have agreed to voluntarily place in escrow a total of 6,795,496 common shares in the aggregate on the same escrow release terms as the persons being escrowed pursuant to the Escrow Agreement.

12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Company, upon completion of the Transaction, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, Company Shares carrying more than 10% of the voting rights attached to all outstanding Company Shares.

13. DIRECTORS AND OFFICERS

Directors and Officers

The table below lists the name and municipality of residence of each director and executive officer of the Company and indicates their respective positions and offices held with the Company and their respective principal occupations within the five (5) preceding years and the number and percentage of common shares owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name and Municipality of Residence	Position with the Company	Date Elected/ Appointed	Principal Occupation and Positions Held During the last 5 years	Number of the Company Common Shares Owned, Beneficially Held or Controlled	% of Class Held or Controlled
Amza Ali (Toronto, Canada)	Director and Group Medical Advisor	January 19, 2021	Psyence Therapeutics Corp. – Co-Founder and Chief Medical Officer – April 2020 - Present (10 months) – Ontario, Canada Avicanna Inc – Chief Medical Officer. – January 2018 – January 2021 (3 years) – Ontario, Canada University of the West Indies - Senior Lecturer and Head of Research in the Neurosciences – September 2016 – Present (4 years 1 month) – Kingston, Jamaica Yale School of Medicine- Visiting Professor, Department of Neurology - January 2016 - December 2017 (2 years) – New Haven, US	2,487,283	2.908%

Name and Municipality of Residence	Position with the Company	Date Elected/ Appointed	Principal Occupation and Positions Held During the last 5 years	Number of the Company Common Shares Owned, Beneficially Held or Controlled	% of Class Held or Controlled
			University of the West Indies - Senior Associate Lecturer in Neurology – June 2014 to present (5 years 4 months) - University of the West Indies		
Jody Aufrichtig (Cape Town, South Africa)	Director, Chief Executive Officer and President	January 19, 2021	MindHealth Biomed - CEO May 2020 - Present (8 months) -British Columbia, Canada	1,629,434	1.905%
			Highlands Investments Africa (Pty) Limited - CEO - May 2020 - Present (8 months) - Cape Town, Western Cape, South Africa		
			Canopy Growth Africa – Managing Director – Africa - May 2018 - May 2020 (2 years 1 month) - Cape Town, Western Cape, South Africa		
			Daddy Cann (Pty) Ltd - CEO - August 2017 - May 2018 (10 months) - Lesotho		
			Indigo Properties – Co founder – 2000 -Present (21 years)		
Gavin Basserabie (Clovelly, New South Wales, Australia)	Director	January 19, 2021	MindHealth Biomed Corp - Director Strategic Development May 2020 - Present (8 months) -British Columbia, Canada	2,978,039 (1)	3.482%
			Highlands Investments Africa (Pty) Limited - Investor and Strategic Advisor - May 2020 - Present (8 months) - Cape Town, Western Cape, South Africa		

Name and Municipality of Residence	Position with the Company	Date Elected/ Appointed	Principal Occupation and Positions Held During the last 5 years	Number of the Company Common Shares Owned, Beneficially Held or Controlled	% of Class Held or Controlled
			ConfidenceClub.com - Co Founder - January 2018 - Present (2 years 9 months) - Sydney, Australia		
			Daddy's Deals - Co Founder - January 2011 - Present (9 years 9 months) - South Africa		
			Canopy Growth Africa - Chief Financial Officer – Africa -May 2018 - May 2020 (2 years 1 month) - Cape Town, Western Cape, South Africa		
			Daddy Cann (Pty) Ltd - Head International and Corporate Finance - August 2017 - May 2018 (10 months) - Lesotho		
Warwick Corden-Lloyd (Cape Town, South Africa)	Chief Finance Officer	January 19, 2021	MindHealth Biomed Corp - Chief Finance Officer – July 2020 - Present (7 months) - British Columbia, Canada	144,093	0.168%
			Canopy Growth Africa – Vice President Operations and Finance – Africa - May 2019 - May 2020 (1 year 1 month) - Cape Town, Western Cape, South Africa		
			Capitec Bank Limited – Head of Financial Accounting – February 2015 – May 2019 (4 years 4 months)		
Mike Dacks (Toronto, Canada)	Chief Operating Officer of Psyence Therapeutics	August 15, 2020	Psyence Therapeutics Corp. – President and COO – August 2020 - Present (6 months) – Ontario, Canada	479,245	0.560%

Name and Municipality of Residence	Position with the Company	Date Elected/ Appointed	Principal Occupation and Positions Held During the last 5 years	Number of the Company Common Shares Owned, Beneficially Held or Controlled	% of Class Held or Controlled
			MedReleaf Corp.- Vice President, Legal and International Business Affairs – October 2016 – September 2018 (2 years) - Ontario, Canada Midatadin Co Founder - October 2013 – July 2016 (2 years 10 months) – Jerusalem, Israel		
Ryan Roebuck (Toronto, Canada)	Director	January 6, 2021	RR One Ltd – Principal – August 2011 – present – 9 years 5 months – Ontario, Canada	25,988	0.030%
Marvin Singer (Toronto, Canada)	Director	January 19, 2021	Self-employed – Consultant, Corporate Director and Investor- January 2020 – present (1 year) - Ontario, Canada Norton Rose Fulbright Canada LLP– Senior Partner- September 2005 – January 2020 (14 years 5 months)	212,998	0.249%

Note:

(1) Shares are held by Blue Alpine (Pty) Ltd, as trustee for ADS Trust. Gavin Basserabie is a beneficiary of, and exercises control over, the ADS Trust.

Term of Directors

Each director has served as such as indicated in the "Directors and Officers" section above, under the heading "Date Elected / Appointed", and will serve as director until his successor is elected or appointed.

Securities Held by Directors and Officers as a Group

The number of voting securities of the Company which are beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the Company is an aggregate of 7,957,080 common shares or 9.303% of the issued and outstanding securities of the Company on a non-diluted basis, or 12.350% on a fully-diluted basis.

Committees of the Board of Directors

The Board currently has only two committees, namely the Audit and Compensation Committee.

Audit Committee

The members of the audit committee include the following three directors, all of whom are "financially literate" and the majority are "independent" within the meaning of National Instrument 52-110 – Audit Committees.

Name of Member	Independent (1)	Financially Literate (2)
Gavin Basserabie	Yes	Yes
Marvin Singer	Yes	Yes
Jody Aufrichtig	No	Yes

Notes:

(1) A member of the audit committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgment.

(2) A member of the audit committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Company's Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Company's Audit Committee will be to assist the Company's Board in discharging the oversight of:

- the integrity of the Company's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Company's compliance with legal and regulatory requirements;
- the Company's external auditors' qualifications and independence;
- the work and performance of the Company's financial management and its external auditors; and
- the Company's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Company's Board.

- It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Company as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Company's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Company is a Venture Issuer as defined in National Instrument 51-102 and relies on the exemption for Venture Issuers to the requirements in National Instrument 52-110 for composition of the Audit Committee and certain reporting requirements.

Compensation Committee

The Compensation Committee is comprised of Gavin Basserabie, Marvin Singer and Jody Aufrichtig. Gavin Basserabie and Marvin Singer are considered to be independent within the meaning of NI 52-110 and therefore the majority of the Committee is independent.

Director and Officer Involvement with Other Issuers

Please refer to the table set out in Section 13.

Cease Trade Orders and Bankruptcies

No director or officer of the Company and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within ten (10) years before the date hereof has been, a director or officer of any other company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other company access to any exemptions under Ontario securities law, for a period of more than thirty (30) consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

No director or officer of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities' regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director or officer of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director or officer.

Conflicts of Interest

There are no existing or potential material conflicts of interest between the Company or any of its subsidiaries and the directors and officers of the Company or its subsidiaries.

Certain directors and/or officers serve as directors and/or officers of other companies or have significant shareholdings in other companies. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the *Business Corporations Act* (Ontario). The *Business Corporations Act* (Ontario) requires that directors and officers of the Company, who are also directors or officers of a party which enters into a material contract with the Company or otherwise have a material interest in a material contract entered into by the Company, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Company's directors to approve the contract.

Management

Brief descriptions of the biographies for all of the officers and directors of the Company are set out below. Unless otherwise stated, each of the below-named directors and officers has held the principal occupation or employment indicated for the past five (5) years.

Jody Aufrichtig, Director, Chief Executive Officer and President, Age 47

Jody Aufrichtig is a chartered accountant and experienced entrepreneur with extensive experience in emerging markets. Mr. Aufrichtig is the founder of MindHealth and has business interests in cannabis, commercial and residential property, private equity, tourism, leisure and other industries.

Prior to founding MindHealth, he was the Managing Director of Canopy Growth Africa (a wholly owned subsidiary of Canopy Growth Corporation (NYSE: CGC / TSX: WEED) from May 2018 until he led a management buyout of the African operations in April 2020. Mr. Aufrichtig founded Daddy Cann Lesotho (Pty) Limited (now operating as Highlands Pure) in July 2017 and was granted a license to cultivate, manufacture, supply, hold, import, export and transport cannabis on 18 August 2017, by the Honourable Minister of Health (Lesotho) pursuant to section 12 of the Drugs of Abuse Act. Daddy Cann Lesotho (Pty) Ltd was subsequently acquired by Canopy Growth Corp. in May 2018. Mr. Aufrichtig co-founded Indigo Properties in 2000 and the business is focussed on commercial and residential property, tourism and leisure.

Mr. Aufrichtig received a Bachelor of Accounting and a Bachelor of Accounting Honours from the University of Cape Town, South Africa in 1993 and 1994 respectively and registered with the South African Institute of Chartered Accountants in 1997.

Mr. Aufrichtig will devote approximately 75% of his working time to the Company and has entered into a non-disclosure agreement and a 1-year non-competition agreement with the Company. Mr. Aufrichtig is an independent contractor of the Company. Mr. Aufrichtig will be responsible for the short- and long-term strategy of Company and the business roll out.

Amza Ali, Director and Group Medical Advisor, Age 59

Dr Ali is a medical practitioner specialised in Internal Medicine, Neurology, Epilepsy and Clinical Neurophysiology with 35 years of clinical experience.

Dr Ali obtained his medical undergraduate degree (MBBS) from the University of the West Indies (UWI) in 1984 with subsequent postgraduate training and accreditation in Internal Medicine at UWI as well as in the United Kingdom in 1990. He subsequently trained and was certified in Neurology at the National Hospital for Neurology and Neurosurgery, Queen Square, London with research training in Neuroimmunology at the Clinical Research Centre in Harrow, England from 1989 to1992. He then trained in Epilepsy and Advanced Clinical Neurophysiology at Columbia University Medical Center in New York from 2000 to 2001 and is certified by the American Board of Clinical Neurophysiology in 2012. His deep commitment to advancing the intersection of the fields of medicine and business then led him to obtaining a Masters in Business Administration at the Rotman

School of Management, University of Toronto in 2016 and then to obtain an MSc in Business Research Methodology at the Henley Business School, University of Reading, UK in 2017 to better develop research strategies at this intersection.

Dr Ali has served as a Consultant Neurologist in Kingston, Jamaica since 1993 and since 2016 has headed research in the Neurosciences at UWI-SODECO (UWI-Solutions for Developing Countries). In December 2017 he joined Avicanna Inc, a medical and scientific company focused on exploring cannabis as a medicine, initially on its Scientific Advisory Board and in September 2018 served as Director of Neurology before assuming, in May 2019, the position of Chief Medical Officer in this publicly traded company until January 2021. In this position he has led all of the company's preclinical and clinical research activities in Canada and internationally. This foundation in basic science and clinical medicine has led to many international awards for his work, including the Swebelius Award from Yale University for his work in epilepsy in 2011 as well as from the Royal College of Physicians of London for Excellence in Clinical Care in 2017.

Dr Ali has entered into a non-disclosure agreement and a 1-year non-competition agreement with the Company. Dr Ali is an independent contractor of the Company and will be responsible for overseeing clinical research and clinical care activities of the Company, providing the services typical of a Group Medical Advisor of a listed company.

Marvin Singer, Director, Age 69

Marvin Singer has been a consultant to private and public companies since January 2020, after retiring from practising corporate and securities law for 40 years, most recently as a Senior Partner in the international law firm of Norton Rose Fulbright Canada LLP (2005-2019). Mr. Singer has extensive experience in equity and debt financings, governance, mergers and acquisitions. He has worked on many international business ventures, including throughout Africa and South America. During his career, Mr. Singer has advised boards of directors of public issuers on governance and other corporate matters. He is currently a director of Osino Resources Corp. Mr. Singer received a Bachelor of Laws degree from Osgoode Hall Law School, Toronto, Canada in 1976.

Mr. Singer will devote approximately 10% of his time to the Company or such greater amount of time as is necessary. Mr. Singer responsibilities will be those typical of an independent director of a listed company.

Gavin Basserabie, Director, Age 50

Mr. Gavin Basserabie is a chartered accountant and company director based in Sydney, Australia. He has over 20 years' experience in founding and supporting fast growing early stage businesses including numerous successful exits.

Mr. Basserabie was previously the Chief Financial Officer, and then Strategic Director, for Canopy Growth Africa (then a wholly owned subsidiary of Canopy Growth Corporation (NYSE: CGC / TSX: WEED) from May 2018 to May 2020. While at Canopy Growth Africa, Mr. Basserabie was responsible for the transformation of a privately owned company to a subsidiary of Canopy Growth Corporation and became the Chief Financial Officer for Canopy Growth's African operations.

Mr. Basserabie is a founding Director of ConfidenceClub Pty Ltd, the leading exclusively direct to consumer brand of adult incontinence products for the disability and senior home care markets in Australia. ConfidenceClub Pty Ltd was founded in January 2018. Mr. Basserabie has strategic and advisory roles in a range of companies including IT, health care, leisure and medicinal cannabis.

Mr. Basserabie received a Bachelor of Commerce degree from the University of Witwatersrand in Johannesburg, South Africa in 1991 and has been a member of the Chartered Accountants Institute of Australia and New Zealand since 1996.

Mr. Basserabie will devote approximately 10% of his time to the Company or such greater amount of time as is necessary. Mr. Basserabie's responsibilities will be those typical of an independent director of a listed company.

Ryan Roebuck, Director, Age 35

Mr. Roebuck is currently the principal of RR One Ltd. (RR1), a private investment firm located in Toronto and has extensive public listed company experience. Mr. Roebuck has prior experience working in venture capital and as a top rated equity research analyst. Mr. Roebuck was formerly a founding member of the board of directors of Pharmacan Capital which later changed its name to the Cronos Group Inc. (TSX: CRON) and currently a member of the board of directors of Epsilon Energy Ltd. (TSX: EPS).

Mr. Roebuck will devote approximately 10% of his time to the Company or such greater amount of time as is necessary. Mr. Roebuck's responsibilities will be those typical of an independent director of a listed company.

Mike Dacks, Chief Operating Officer of Psyence Therapeutics, Age 44

Mike Dacks is an experienced international business development executive, entrepreneur and commercial lawyer with over fifteen years of experience in providing strategic, legal and operational advice to rapidly scaling companies globally.

Mr. Dacks is Founder and President of Type 2 Ventures since April 2019, where he has been an investor in, and advisor to, a number of ventures across the global plant-based medicines industry. He has served on the advisory board of Kanabo, an Israeli cannabinoid formulation company since May 2019 where he advises on global strategy. Mr. Dacks previously served as Senior Vice President of Global Affairs at Plena Global from December 2018 to July 2019. Prior to that he was VP of Legal & International Business Affairs at MedReleaf Corp (TSX: LEAF) from October 2016 through September 2018 when it was acquired by Aurora Cannabis.

At MedReleaf, Mr. Dacks played leading roles in sourcing and executing on global partnerships and M&A, including working with partners and regulators on receiving

European Union GMP certification from Germany, receiving the full suite of operating licenses from Australia's Office of Drug Control, a variety of South American license acquisitions, and the first National Health Surveillance Agency (ANVISA) authorized export of cannabis oil to Brazil. Prior to that, Mr. Dacks Co-Founded Midatadin, a legal technology venture focussed on litigation analytics where he was employed from October 2013 to July 2016.

Mr. Dacks received a Bachelor of Arts in Philosophy from Western University in 1998 and a Bachelor of Laws /Juris Doctor from Osgoode Hall Law School in 2004, with a special degree designation in International, Comparative and Transnational Law and is a former international law clerk to the Hon. Justice Asher Grunis at the Supreme Court of Israel from August 2005 to June 2006.

Mr. Dacks will devote approximately 75% of his time to Psyence Therapeutics or such greater amount of time as is necessary. Mr. Dacks is an independent contractor of the Psyence Therapeutics. Mr. Dacks will be responsible for overseeing the operational and certain strategic initiatives of the Psyence Therapeutics and will provide the services typical of a Chief Operating Officer of the company.

Warwick Corden-Lloyd, Chief Financial Officer, Age 41

Warwick Corden-Lloyd is a Chartered Accountant and Certified Project Manager. He has over 17 years' experience working in public accounting, consulting and listed financial services companies in the UK, US and South Africa. Mr. Corden-Lloyd has listed company financial and regulatory reporting experience in international and emerging markets.

Mr. Corden-Lloyd was previously the Vice President of Operations and Finance at Canopy Growth Africa, (a wholly owned subsidiary of Canopy Growth Corporation (NYSE: CGC / TSX: WEED) from May 2019 to May 2020. Whilst at Canopy Growth Africa, he oversaw the Finance, Legal, Supply Chain, Human Resources, Quality Assurance and Regulatory, Project Management and Country Manager divisions. Prior to that he was at Capitec Bank, South Africa's largest customer retail bank, from February 2015 to May 2019 where he was responsible for managing the financial and regulatory reporting, budgeting and financial accounting for the bank.

Mr. Corden-Lloyd received a Bachelor of Accounting from the University of Stellenbosch, South Africa in 2002, a Bachelor of Accounting Honours from the University of Natal, South Africa in 2003 and registered with the South African Institute of Chartered Accountants in 2006.

Mr. Corden-Lloyd will devote approximately 100% of his working time to the Company and has entered into a non-disclosure agreement and a 1-year non-competition agreement with the Company. Mr. Corden-Lloyd is an independent contractor of the Company. Mr. Corden-Lloyd will be responsible for the financial reporting and accounting activities of the Company and will provide the services typical of a Chief Financial Officer of a listed company.

14. CAPITALIZATION

Classes of securities

Below are charts for each class of securities to be listed:

Issued Capital

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	85,528,931	101,871,539	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	7,931,092	12,554,814	9.273%	12.324%
Total Public Float (A-B)	77,597,839	89,316,725	90.727%	87.676%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or	14,280,806	18,904,528	16.697%	18.557%

other arrangements or in a shareholder agreement and securities held by control block holders (C)				
Total Tradeable Float (A-C)	71,248,125	82,967,011	83.303%	81.443%

Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	491	8,536
100 – 499 securities	6	1,064
500 – 999 securities	3	2,307
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	1	3,485
4,000 – 4,999 securities	0	0
5,000 or more securities	10	1,030,933
	511	1,046,325

Public Securityholders (Beneficial)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	1,096	9,875
100 – 499 securities	30	6,420
500 – 999 securities	11	9,141
1,000 – 1,999 securities	5	7,661
2,000 – 2,999 securities	6	16,601
3,000 – 3,999 securities	3	13,432
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	16	268,179
Unable to confirm	1,142	330,262

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0

4,000 – 4,999 securities	0	0
5,000 or more securities	13	12,755,868
	13	12,755,868

Convertible / Exchangeable Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Company Options(1)	7,432,055 options	7,432,055 Company Shares
Company Warrants(2)	8,910,553 warrants	8,910,553 Company Shares

Note:

(1) The Company Options are each exercisable for one (1) Company Share at a price of $0.30 and expire on December 31, 2025.

(2) The Company Warrants are each exercisable for one (1) Company Share. Of these warrants, 8,792,598 are exercisable at a price of $0.30 and expire thirty-six (36) months from the date of issuance and 117,955 at a price of $0.3286 and expire twenty-four (24) months from the date of issuance.

Other Listed Securities

There are no listed securities reserved for issuance that are not included in Section 14.2.

15. EXECUTIVE COMPENSATION

The summary compensation table sets out particulars of compensation paid for the fiscal years ended December 31, 2019, December 31, 2018 and December 31, 2017 to the Named Executive Officers ("**NEOs**"). The Company does not have any other executive officers whose total salary and other compensation during such period exceeded $150,000.

Name and Principal Position	Year	Salary ($)	Share based awards ($)	Option based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long Term incentive plans			
Ryan Roebuck [1] Chief Executive Officer	2019 2018 2017	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Chris Carmichael[2] Chief Financial Officer	2019 2018 2017	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil

Notes:

(1) Resigned as Chief Executive Officer on January 19, 2021; and

(2) Resigned as Chief Financial Officer on January 19, 2021.

Base Salary

Base salaries and discretionary bonuses primarily reward recent performance and incentive stock options encourage NEOs to continue to deliver results over a longer period of time and serve as a retention tool.

The base salary of each executive officer is determined by the Company Board based on an assessment by the Company Board of his or her sustained performance, consideration of competitive compensation, the level of responsibility and experience of the individual, the relative importance of the position to the Company, and the professional qualifications of the individual. A final determination is made by the Company Board in its sole discretion and its knowledge of the industry and geographic location in which the Company operates.

The NEOs' performances and salaries are to be reviewed periodically to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance. Increases in salary are to be evaluated on an individual basis and are performance based. The amount and award of bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

Option Based Awards

The purpose of the Company Option Plan is to assist the Company in attracting, retaining and motivating directors, officer, employees, and consultants of the Company and its subsidiaries and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Company Option Plan provides that a maximum of 10% of the Company Shares issued and outstanding from time to time may be issued under the Company Option Plan. The Company Option Plan is administered by the Company Board.

Termination and Change of Control Benefits

As of the date of this Listing Statement, the Company does not have any employment agreements nor any compensatory plans or arrangements with respect to the NEOs that results, or will result, in the payment of amounts or benefits due to the resignation, retirement or any other termination of employment of such NEO's employment or engagement with the Company, a change of control of the Company, or a change in the NEO's responsibilities following a change of control.

Incentive & Pension Plan Awards

Except for the Company Option Plan, the Company does not have any equity-based incentive plans, or any deferred compensation plan or pension plan that provides for payments or benefits at, following, or in connection with the retirement of its NEOs.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or at any time since the beginning of the most recently completed financial year of the Company was, a director or officer of the Company, was proposed as a nominee for election as a director of the Company, or any associate of any such director, executive officer or nominee:

(a) is, at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries; or

(b) is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or undertaking provided by the Company or any of its subsidiaries.

17. RISK FACTORS

An investment in the Company is subject to various risks and should be considered highly speculative.

Prior to making an investment decision, investors should consider the investment risks set forth below which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

No operating history

While the Company was incorporated in February 1986, it ceased carrying on active business since September 30, 2009 and has only with the completion of the Transaction commenced business operations in the supply of branded naturally derived medicinal grade psilocybin mushroom products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The Company has no history in the psilocybin mushroom cultivation industry and no history of operations of earnings.

The Company is therefore subject to many of the risks common to entering a new area of investment, including under-capitalization, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on its investment and the likelihood of success must be considered in light of the Company's lack of experience in this industry.

Because the Company has limited operating history in an emerging area of business, potential investors should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets.

These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;

- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Company's growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Uncertainty about the Company's ability to continue as a going concern

The Company's ability to continue as a going concern will be dependent upon its ability in the future to grow its revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company, or at all. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. See also "Cautionary Statement Regarding Forward-Looking Information".

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's internally projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgement in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Initial lack of business diversification

Because the Company will be initially focused on observational studies, product development and cultivation and production using psilocybin mushrooms, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the Company's intended facilities, products, processes and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate having the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of facilities, products, processes or services.

Regulatory compliance risks

The Company operates in the Kingdom of Lesotho pursuant to licenses and authorizations granted by Lesotho governmental authorities. Consequently, certain activities conducted by the Company are permissible under the Lesotho regulatory regime while they are not permissible under the Canadian regime. In the past, Canadian courts and regulatory authorities have taken the view that it is not contrary to Canadian federal or provincial law for a person to be engaged in, or for an entity to hold interests in affiliates that are engaged in certain regulated activities where such activities may be regulated differently than in the home jurisdictions and have enforced extra-territorial laws even where such laws (or regulatory regimes applicable to certain activities or industries) differ from those in the Canadian jurisdiction. There still remains a risk that Canadian courts or applicable Canadian or other governmental authorities may take a contrary view with respect to the business of the Company and view the Company as having violated their local laws, despite the Company having obtained all applicable Lesotho licenses or authorizations and despite the fact that the Company does not carry on business in Canada. Therefore, there is a risk that civil and criminal proceedings, including class actions, could be initiated against the Company. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon the Company or its business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as an impact upon the Company's reputation.

Change in laws, regulations and guidelines

The cultivation, processing, manufacturing, packaging, labeling, advertising and distribution of the Company's planned products is subject to regulation by one or more governmental authorities, and various agencies of the federal, provincial, state and localities in which the Company's products are sold. These government authorities may attempt to regulate any of its products that fall within their jurisdiction. Such governmental authorities may not accept the evidence of safety for any ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that the Company wants to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements. In addition, government authorities could require the Company to remove a particular product from the market. Any recall or removal would result in additional costs to the Company, including lost revenues from any products that it is required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects, all of which could be material. See also "Cautionary Statement Regarding Forward-Looking Information".

Reliance on licenses and authorizations

The Company's ability to grow, process, store and sell psilocybin mushroom and psilocybin mushroom products in the Kingdom of Lesotho is dependent on the Company's ability to sustain or obtain the necessary licenses and authorizations by certain government authorities in the Kingdom of Lesotho, including, but not limited to, its current licence. The licenses and authorizations are subject to ongoing compliance and reporting requirements, and the ability of the Company to obtain, sustain or renew any such licenses and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. Failure to comply with the requirements of the licenses or authorizations or any failure to maintain the licenses or authorizations would have a material adverse impact on the business, financial condition and operating results of the Company. Although the Company believes that it will meet the requirements to obtain, sustain or renew the necessary licenses and authorizations, there can be no guarantee that the applicable authorities will issue or renew these licenses or authorizations (as the case may be). Should the authorities fail to issue or renew the necessary licenses or authorizations, the Company may be curtailed or prohibited from the production or distribution of psilocybin mushrooms or from proceeding with the development of its operations as currently proposed and the business, financial condition and results of the operation of the Company may be materially adversely affected.

Health Canada regulations

If the Company decides to conduct any future research in Canada into products that involve ingredients that are controlled under the CDSA (including certain psychedelics such as psilocybin) it will require a research license or Section 56 Exemption from Health Canada with similar controlled substance authorizations required from a federal competent authority in other jurisdictions. There is no assurance that such exemption would be granted, and if it were not to be granted, it might prevent the Company from handling and researching such products in Canada without collaborating with a licensed partner.

Consequences of Violations of Laws and Regulations

In Canada, certain active ingredients such as psilocybin are classified as controlled substances and are listed on Schedule III of the CDSA. As such, possession and use of these substances is prohibited unless approved. The governmental authorities in Canada may allow for exemptions to parties to allow possession of controlled substances for scientific purposes. Further, a dealer's license can be obtained under the Food and Drugs Regulations allowing for the transport, manufacturing, processing and sale of products containing a controlled substance like psilocybin in certain circumstances. Programs relating to controlled substances are strict and penalties for contravention of these laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company may in the future operate, or private citizens or criminal charges. Currently, the Company has no plans to sell psilocybin mushroom products in Canada or to conduct research with respect to psilocybin in Canada. Were those plans to change, there is no guarantee that the Company would be able to obtain an exemption under the CDSA or a dealer's licence under the Food and Drugs Regulation, which would prevent the Company from being able to handle or research those substances in Canada without collaborating with a licensed partner. The Company will apply for an exemption under the CDSA or a dealer's licence under the Food and Drugs Regulation if the Company decides to offer its psilocybin products or conduct research in Canada. The Company does not intend to apply for the aforementioned within the next 12 months. During this process, the Company will seek advice from experts in Canadian food and drugs regulation.

The Expansion of the Use of Psychedelics in the Medical Industry may Require New Clinical Research

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, addictiveness, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin remains in early stages. There have been relatively few clinical trials on the benefits of such products. Although the Company believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, psychedelic and psychoactive products derived from psilocybin. Given these risks, uncertainties and assumptions, readers should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Listing Statement or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to psychedelic and psychoactive products derived from psilocybin, which could have a material adverse effect on the demand for the Company's products/compounds with the potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Production facility and processing facility

The Company may incur expenditures toward the improvement and maintenance of its production and processing facility in Lesotho. Adverse changes to the Company's leased premises in Lesotho including, but not limited to, amendments to the lease, environmental and climate change, and restrictions to expansion could have a materially adverse effect on the operations of the Company.

Competition from other companies

An increase in the companies competing in this industry could limit the ability of the Company to expand its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and be able to develop higher quality equipment or products at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results and financial condition.

Unfavourable publicity or consumer perception

The Company believes the naturally derived medicinal-grade psilocybin mushroom industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psilocybin mushroom distributed to such consumers. Consumer perception of the Company’s products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of naturally derived, medicinal-grade psilocybin mushroom products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the naturally derived medicinal-grade psilocybin mushroom market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company’s products and the business, results of operations, financial condition and cash flows of the Company. The Company’s dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company’s products, and the Company’s business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of naturally derived medicinal-grade psilocybin mushroom in general, or the Company’s products specifically, or associating the consumption of naturally derived medicinal-grade psilocybin mushroom’s negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers’ failure to consume such products appropriately or as directed.

Development of the business of the Company

The development of the business of the Company and its ability to execute on its expansion opportunities described herein will depend, in part, upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing expansion opportunities and the business of the Company’s current or future operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to the Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders.

There is no assurance that the Company will become profitable or pay dividends

There is no assurance as to whether the Company will become profitable or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations

The Company expects to incur significant ongoing costs and obligations related to its investment in developing its business and the products, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's efforts to grow its business may be costlier than the Company expected, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons, including the other risks described in this listing statement, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Company Shares may significantly decrease.

The Company may become subject to litigation

The Company's participation in the medical-grade psilocybin mushroom industry may lead to litigation, formal or informal complaints, enforcement actions and inquiries by third parties, other companies or various governmental authorities against the Company. Litigation, complaints and enforcement actions involving the Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. See also "Cautionary Statement Regarding Forward-Looking Information".

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third-parties against the Company relating to intellectual property rights

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence or outcome of any such litigation could harm the Company's business. Further, because the content of much of the Company's intellectual property concerns medical-grade psilocybin mushroom and other activities that are not legal in some state jurisdictions or under federal law, the Company may face additional difficulties in defending its intellectual property rights. See also "Cautionary Statement Regarding Forward-Looking Information".

Negative results from clinical trials

From time to time, studies or clinical trials on medical-grade psilocybin mushroom products may be conducted by academics or others, including government agencies. The publication of negative results of studies or clinical trials related to the Company's proposed products or the therapeutic areas in which the Company's proposed products will compete could have a material adverse effect on the Company's sales. See also "Cautionary Statement Regarding Forward-Looking Information".

Insurance coverage

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, product liability and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Company is not generally available on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Ability to establish and maintain bank accounts

While the Company does not anticipate dealing with banking restrictions, there is a risk that banking institutions in countries where the Company operates will not accept payments related to the psilocybin mushroom industry. Such risks could increase costs for the Company. The Company's inability to manage such risks may adversely affect the Company's operations and financial performance.

Product liability

The Company intends to produce products designed to be ingested by humans, and will therefore face a risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused bodily harm or injury. In addition, the sale of consumable products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Adverse reactions resulting from human consumption of medical-grade psilocybin mushroom products alone or in combination with other medications or substances could occur. The Company could therefore be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning health risks, possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company and could have a material adverse effect on its results of operations and financial conditions.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively

The Company will depend upon its ability to attract and retain key management, including the Company's directors, officers and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company or results of operations of the business and could limit the Company's ability to develop and market its medical-grade psilocybin mushroom products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of the Company's employees.

The size of the Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data

As the psilocybin mushroom industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly follows market research.

The continued development of the Company and its business will require additional financing.

The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Company Shares.

The Company's articles permit the issuance of an unlimited number of Company Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Company Shares will be issued by the Company on the exercise of options under the Company Option Plan and upon the exercise of the Company's outstanding Warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

If an investor purchases Company Shares in an offering, it will experience substantial and immediate dilution, because the price that such investor will pay will be substantially greater than the net tangible book value per share of the Company Shares that it acquires. This dilution is due in large part to the fact that the Company's earlier investors will have paid substantially less than a public offering price when they purchased their shares of the Company's capital stock.

Reliance on a single jurisdiction

To date, the Company's activities and resources have been primarily focused in Lesotho. The Company expects to continue the focus on expansion opportunities into other jurisdictions. Adverse changes or developments within Lesotho could have a material and adverse effect on the Company's ability to continue its business, financial condition and prospects. Additionally, any material or adverse change in jurisdictions in which the Company will do business may affect the Company's ability to continue producing medical-grade psilocybin mushroom products, its business, financial condition and prospects.

Tax issues

There may be income tax consequences in relation to the Company Shares, which will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

No guarantee on the use of available funds by the Company

The Company cannot specify with certainty the particular uses of its available funds. Management has broad discretion in the application of its available funds. Accordingly, shareholders of the Company Shares will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. The Company's management may spend a portion or all of the available funds in ways that the Company's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a shareholder's investment. The failure by management to apply these funds effectively could harm the Company's business. Pending use of such funds, the Company might invest available funds in a manner that does not produce income or that loses value.

Currency fluctuations

Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the Canadian dollar, the Lesotho Loti, and the South African Rand may have a material adverse effect on the Company's business, financial condition and operating results. The Company may, in the future, establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, there can be no assurance that it will effectively mitigate currency risks. See also "Cautionary Statement Regarding Forward-Looking Information".

Environmental, health and safety laws

The Company is subject to environmental, health and safety laws and regulations in each jurisdiction in which the Company operates. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, the investigation and remediation of soil and groundwater contamination, and the health and safety of the Company's employees. The Company may be required to obtain environmental permits from governmental authorities for certain of its current or proposed operations. The Company may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If the Company violates or fails to comply with these laws, regulations or permits, the Company could be fined or otherwise sanctioned by regulators. As with other companies engaged in similar activities or that own or operate real property, the Company faces inherent risks of environmental liability at its current and historical operational sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. In addition, the Company may discover new facts or conditions that may change its expectations or be faced with changes in environmental laws or their enforcement that would increase its liabilities. Furthermore, its costs of complying with current and future environmental and health and safety laws, or the Company's liabilities arising from past or future releases of, or exposure to, regulated materials, may have a material adverse effect on its business, financial condition and results of operations. See also "Cautionary Statement Regarding Forward-Looking Information".

Management of growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Commercialization and Marketing of Products

The Company is reliant on third-party consultants to assist in its investigating the process of developing and commercializing its psilocybin mushroom products. No assurance can be given that the results of these investigations will determine that manufacturing and distribution of its products will be feasible or commercially viable. A failure to obtain satisfactory results on these investigations could have a material adverse effect on the Company's business and may adversely affect the Company's ability to begin earning revenue.

Inability to protect intellectual property

The Company expects to rely upon intangible and intellectual property such as copyrights, trade secrets, unpatented proprietary know-how and continuing innovation to protect the development of its business. There can be no assurances that the steps taken by the Company to protect its intangible property and intellectual property will be adequate. To the extent that this property is infringed on, revenue could be negatively affected, and the Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Inability to innovate

In the area of innovation, the Company must be able to develop new products that appeal to its customers. This depends, in part, on the technological and creative skills of its personnel and on its ability to protect its intellectual property rights.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

Limited market for securities

The Company Shares are expected to be listed on the CSE, however, there can be no assurance that an active and liquid market for the Company Shares will develop or be maintained.

Additional risks related to doing business internationally

International markets will be a focus for expansion and revenue growth for the Company. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Company expects to do business or have projects, could adversely affect such expansion and growth. Additionally, the Company's entry into new international jurisdictions requires management attention and financial resources that would otherwise be spent on other parts of the business. Some of the countries in which the Company expects to sell products are to some degree subject to political, economic, and/or social instability. International business operations expose the Company to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular, where these risks may be heightened. In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Company's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Company expects to sell products, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;

- risks associated with reliance on international agents and representatives, including the possible failure of such agents and representatives to appropriately understand, represent and effectively market the Company's products;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds or limitations;
- the imposition of Canadian and/or other international sanctions against a country, company, person or entity with whom the Company does business that would restrict or prohibit the Company's ability to carry out its operations in Lesotho;
- the Company's continued business with the sanctioned country, company, person or entity;
- downward pricing pressure on the Company's products in the international markets, due to competitive factors or otherwise;
- laws and business practices favouring local companies;
- political, social or economic unrest or instability, including without limitation military conflicts and acts of terrorism, military repression, war or civil war, social and labour unrest, organized crime, hostage-taking and violent crime;
- expropriation and nationalization and/or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Furthermore, some of the Company's operations and sales are conducted in parts of the world that experience illegal sales practices or corruption or are operated under legal systems susceptible to undue influences to some degree. Although the Company has policies and procedures in place that are designed to promote legal and regulatory compliance, the employees, business partners and consultants of the Company could take actions that violate applicable anticorruption laws or regulations. Violations of these laws, or allegations of such violations, could result in loss, reduction or expropriation and/or have a material adverse effect on the Company's business, results of operations or financial condition. The Company's international efforts may not produce desired levels of sales. If and when the Company enters into new markets in the future, it may experience different competitive conditions and/or different customer requirements. As a result, the Company may be less successful than expected in expanding sales in its current and targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets. These or one or more of the other factors listed above may harm the Company's business, results of operations or financial condition. See also "Cautionary Statement Regarding Forward-Looking Information".

The Company will continue to monitor developments and policies in the emerging markets in which it will operate and assess the impact thereof to its operations, however such developments cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

The ongoing COVID-19 pandemic

The current global uncertainty with respect to the spread of COVID-19 and its effect on the Canadian economy and the larger global economy, may have negative effects on the Company. While the precise impact of COVID-19 on the Company's ability to develop its business and its products remains unknown, the rapid spread of COVID-19 around the world and the declaration of a global pandemic by the World Health Organization may result in future workforce shortages and additional sanitary measures, further international border closures that restrict or materially slow the ability of the Company or its competitors to purchase psilocybin mushrooms or packaging, restrictions on shipping, both within Canada and internationally, restrictions on the ability of the Company to gain financing through the financial markets, and any changes to the Company's regulatory framework may increase competition for the mushrooms and packaging used by the Company or affect the Company's ability to deliver its products to customers – each which could materially affect the business and financial condition of the Company. See "Cautionary Statement Regarding Forward-Looking Information".

Foreign Operations

LESOTHO – COUNTRY RISK FACTORS

Language

The primary language of business in Lesotho is English, with Sesotho as a secondary language, and occasionally Afrikaans. All employees and consultants of the Company and its subsidiaries speak English fluently. The Company has personnel available to communicate in Sesotho and Afrikaans. All business records and documents will be prepared in English or translated from Sesotho or Afrikaans into English.

Exchange Controls, Currency Fluctuations and Credit Risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company may be adversely affected by the fluctuations in currency exchange rates and high inflation to the extent that the Company conducts business transactions involving South African Rand or Lesotho Loti. The currency risks associated with the local currency include the possibility of the government imposing exchange controls or limits to the availability of hard currency and other such banking restrictions. Similarly, to the extent that the Company will become involved in financial transactions with local counterparties, the Company may be exposed to credit risk on cash and cash equivalents denominated in South African Rand or Lesotho Loti. Any such instability in currency or creditworthiness of local counterparties may have a material adverse impact on the Company. The Company will mitigate the currency risk by keeping excess funds in US Dollars.

Lesotho has adopted exchange controls governed by the Exchange Control Order No.175 of 1987, subject to Exchange Control Regulations of 1989. Authorised Dealers in Lesotho are the commercial banks mandated to enforce exchange controls. Lesotho companies may approach Authorised Dealers to obtain approval to avail of inward foreign loans and foreign trade finance facilities from any non-resident. Similarly, Lesotho companies may access trade finance, long-term loans and working capital loans in foreign currency by approaching an Authorised Dealer in this regard. Lesotho is part of the Common Monetary Area ("**CMA**"), together with Namibia, South Africa and Swaziland (eSwatini). There are no foreign exchange restrictions between banks of the CMA member countries in respect of cross-border transactions amongst themselves.

Foreign Exchange Risk and Liquidity

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure it will always have sufficient liquidity to meets its liabilities when due, under both normal and distressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's revenue streams are dependent on the overall macro-economic environment. Current and future conditions in the domestic and global economies remain uncertain. Accordingly, adverse developments in the macroeconomic environment could substantially reduce the funds spent on the products and services offered by the Company.

Taxation Risks

Lesotho's tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and changes. Such interpretations of or changes in tax law may not be aligned with the Company's business interests. It is possible that the Company's ongoing operations in Lesotho may be subject to review by Lesotho's tax authorities or be affected by changes in tax legislation or interpretation. If a party has any objection to a tax assessment granted by the Lesotho Revenue Authority ("**LRA**"), that party may appeal the tax assessment to the Commissioner General's Appeal's Committee and the Revenue Appeals Tribunal.

Regulatory Authority

Lesotho's government and regulatory bodies wield broad powers and authority to issue, alter, or revoke licenses and permits which are vital to the Company's business operations in the country. There is also a corresponding lack of well-established and independent processes to appeal regulatory or government actions that are unfavourable to the Company's business operations. Therefore, the Company's operations are subject to risks associated with obtaining and maintaining licenses and permits from appropriate governmental authorities. The Ministry of Health has established a Narcotics Bureau which could support and assist in the issuance of licences and permits. There is no assurance that such licenses and permits can be obtained, renewed or re-registered, as applicable, or that delays will not occur in obtaining all necessary licenses and permits or renewals of such licenses and permits. Any failure to obtain or maintain the necessary licenses and permits will have a material adverse impact on the Company and its business, assets, financial condition, results of operations and prospects.

Licencing regime

Licencing in respect of psilocybin is governed by the Drugs of Abuse Act. Under this Act, power is delegated to the Minister of Health to exercise his discretion in promulgating regulations governing, controlling, limiting, authorizing the import into Lesotho, export from Lesotho, production, packaging, sending, transportation, delivery, sale, provision, administration, possession or obtaining of or other dealing in psilocybin. This concentration of power in one office and one Ministry is inherently risky as any deterioration in relations with the Minister of Health or the Ministry may have a material adverse impact on the Company and its business. As stated above, the Ministry of Health has established a Narcotics Bureau which could support and assist in the issuance of licences and permits.

Access to an Independent Judiciary

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of various legal proceedings. Lesotho's legal system is based on UK common law and Roman-Dutch law. The Constitution provides for an independent judicial system and protects civil liberties such as freedom of speech, freedom of association, freedom of the press, freedom of assembly and freedom of religion. That being said, the Lesotho judicial system is not impervious to external social, economic, and political forces which create difficulty in predicting outcomes regarding legal matters. Judicial decisions may therefore be subject to popular or government influence which creates difficulty in predicting outcomes regarding legal matters and may result in the Company being disadvantaged in the context of dispute resolution whether in litigation proceedings or regulatory proceedings involving tax, contractual, environmental, land rights, personal injuries, or such other disputes.

To mitigate exposure to or dependence on the domestic legal system, contracting parties usually consent by agreement to mediation, arbitration or other alternative dispute resolution mechanisms and are contractually free to elect the governing law, location and composition of the mediators and arbitrators. Arbitration in Lesotho is regulated by the Arbitration Act of 1980; however, Lesotho has also acceded to the New York Convention, without any reservations. To further mitigate commercial risks, Lesotho established a Commercial Court to improve capacity in resolving commercial cases in 2010 and as a signatory of the International Centre for Settlement of Investment Disputes, Lesotho also accepts ad hoc arbitration.

Crime and Business Corruption Risk

The Company conducts business in Lesotho which has experienced high levels of business corruption. Transparency International ranks Lesotho 85th out of 198 countries in the 2019 Corruption Perceptions Index. The Company and its personnel are required to comply with applicable anti-bribery laws, including the *Canadian Corruption of Foreign Public Officials Act*, as well as local laws in all areas in which the Company does business. These, among other things, include laws in respect of the monitoring of financial transactions and provide a framework for the prevention and prosecution of corruption offences, including various restrictions and safeguards. However, there can be no guarantee that these laws will be effective in identifying and preventing money laundering and corruption. The failure of some of the governments where the Company does business to fight corruption or the perceived risk of corruption could have adverse effects on the local economies. Any allegations of corruption or evidence of money laundering in those countries could adversely affect the ability of those countries to attract foreign investment and thus have adverse effects on its economy which in turn could have adverse effects on the Company's business, results of operations, financial condition and prospects. Moreover, findings against the Company, the directors, the officers or the employees of the Company, could result in criminal or civil penalties, including substantial monetary fines, against the Company, the directors, the officers or the employees of the Company. Any government investigations or other allegations against the Company, the directors, the officers or the employees of the Company, or finding of involvement in corruption or other illegal activity by such persons, could significantly damage the Company's reputation and its ability to do business.

Differences Between the Canadian Law and Applicable Provisions of the Local Laws

The rights and responsibilities of the shareholders of the Company are governed by Canadian law by virtue of its incorporation under the laws of the Province of Ontario. To the extent that there may be exposure to the legal jurisdiction of Lesotho, the rights of shareholders are generally respected in these jurisdictions. A significant number of directors and officers of the Company may be based in non-Canadian jurisdictions and most of the Company's operational assets will be located in Lesotho. Therefore, a judgement obtained in a foreign court against the Company for civil penalties may not be enforceable in Canada. Depending on the nature of the dispute, it may be possible that a Canadian court may order the enforcement of a foreign judgement in Canada; or, alternately, a court in Lesotho may recognize a Canadian court judgement in their local jurisdiction.

Enforceability of foreign judgements

A foreign judgment is not directly enforceable in Lesotho, however foreign judgments may be placed before a court in Lesotho for it to be recognised domestically and thereafter enforced in Lesotho as a judgement of the High Court of Lesotho.

Foreign judgments can be enforced domestically by making use of the common law or in terms of the Reciprocal Enforcement of Judgments Proclamation No. 2 of 1922. In terms of this Act, judgments obtained in the High Courts of England, Ireland, or Scotland can be enforced by use of the Proclamation. The Proclamation has been extended to include Botswana, Swaziland, Zimbabwe, Zambia, Tanzania, Malawi, Kenya New Zealand, Australia, and Uganda.

Foreign awards are dealt with in terms of the New York Convention. The High Court of Lesotho has competent jurisdiction in respect of foreign awards. Furthermore, an application for recognition and enforcement would require a court order to declare such an award enforceable. The Company cannot guarantee that a judgement in Canada will be enforced in Lesotho.

Geographic location

Lesotho is a landlocked country within the border of South Africa and is therefore reliant on South Africa for the shipment of goods in and out of the country. Lesotho is party to the Protocol on Trade in the South African Development Community Region and United Nations Conference on Transit Trade of Land-Locked Countries. The underlying principles of these international agreements of economic co-operation mitigate such trade risk as South Africa has pledged its commitment to helping Lesotho facilitate trade in the SADC region and internationally. South Africa has committed, in order to promote fully the economic development of land-locked countries such as Lesotho, free and unrestricted transit, in such a manner that Lesotho shall have free access to regional and international trade in all circumstances and for every type of good.

In the case of MindHealth Lesotho and its operations, the import, export and general trade regarding psilocybin is regulated by the Ministry of Health under clear and enabling legislation and in accordance with a well-established import/export practice, which has been successfully implemented within the cannabis industry.

18. PROMOTERS

Jody Aufrichtig, CEO and director of the Company may be considered to be a promoter because he took the initiative in founding and organizing the business of MindHealth. Mr. Aufrichtig owns 1,629,434 Company Shares, representing 1.905% of the issued and outstanding Company Shares.

Mr. Aufrichtig has not received, and is not expected to receive, anything of value, including money, property, contracts, options or rights of any kind directly or indirectly from the Company or from a subsidiary of the Company, except for the common shares, stock options and warrants he received pursuant to the Transaction and his, as yet undetermined, executive compensation for serving as Chief Executive Officer of the Company.

Mr. Aufrichtig is not, as at the date hereof, nor has he been within ten (10) years before the date hereof, a director, chief executive officer, or chief financial officer of any person or company that:

(a) was subject to an order that was issued while he was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after he ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while he was acting in the capacity as director, chief executive officer or chief financial officer.

19. LEGAL PROCEEDINGS

There are no legal proceedings material to the Company to which the Company or a subsidiary of the Company is a party or of which any of their respective property is the subject matter, nor are any such proceedings known to the Company to be contemplated.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except for the Transaction and transactions involving MindHealth prior to the Transaction, no director or executive officer of the Company, nor any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of the Company's common shares, nor an associate or affiliate of any of such persons or companies has had any material interest, direct or indirect, in any transaction within the three years before the date hereof, nor will have any such interest in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

The auditor of the Company is MNP LLP, located at 50 Burnhamthorpe Road West, Mississauga, ON, L5B3C2. MNP LLP has served as the Company's auditor since October 22, 2009.

Transfer Agent

Odyssey Trust Company, through its offices located at Suite 301, 100 Adelaide Street West, Toronto, Ontario, is the transfer agent and registrar for the common shares.

22. MATERIAL CONTRACTS

During the course of the two (2) years prior to the date of this Listing Statement, the Company or its subsidiaries entered into the following material contracts, other than contracts entered into in the ordinary course of business:

- The Definitive Agreement;
- The Amalgamation Agreement;
- The Escrow Agreement;
- Definitive Agreement between MindHealth and Psyence Therapeutics dated December 4, 2020;
- Management Services Agreement between Mind Health, Mind Health Lesotho and Highlands Ventures (then Canopy Growth South Africa (Pty) Ltd) dated May 25, 2020;
- Sub-lease Agreement between Mind Health Lesotho and Highlands Pure Lesotho (then Canopy Growth Lesotho (Pty) Ltd) dated June 1, 2020;
- Loan Agreement between Mind Health and Mind Health Lesotho dated July 11, 2020;
- Sale of Shares Agreement (share exchange) between Mind Health, Mind Health Lesotho and Orange River Holding Ltd dated May 22, 2020.

23. INTEREST OF EXPERTS

MNP LLP, prepared the auditor’s reports for the audited annual financial statements of Cardinal for years ended December 31, 2019, 2018, and 2017. MNP LLP also prepared interim financial statements for MindHealth dated December 4, 2020.

MNP LLP, the Company’s auditor, is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

None of the experts above or their respective associates or affiliates, beneficially owns, directly or indirectly, any securities of the Company or related person of the Company, has received or will receive any direct or indirect interests in the property of the Company or a related person of the Company or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any associate or affiliate thereof.

No professional person who has provided an opinion or report referenced herein, currently holds more than 1% of the issued and outstanding common shares of the Company, will not hold more than 1% of the issued and outstanding common shares of the Company, and no such person is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

24. Other Material Facts

There are no material facts about the Company and its securities that are not disclosed in this Listing Statement and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

25. Financial Statements

Schedule "A" contains the unaudited interim financial statements of Cardinal for the nine-month period ended September 30, 2020.

Schedule "B" contains Cardinal's MD&A for the nine-month period ended September 30, 2020.

Schedule "C" contains the audited consolidated financial statements of Cardinal for the financial years ended December 31, 2019, 2018 and 2017.

Schedule "D" contains Cardinal's MD&A for the financial year ended December 31, 2019.

Schedule "E" contains the audited financial statements of MindHealth for the period from May 21, 2020 to October 31, 2020.

Schedule "F" contains MindHealth's MD&A for the period from May 21, 2020 to October 31, 2020.

Schedule "G" contains pro-forma financial statements for the Company, assuming the completion of the Transaction, as at October 30, 2020.

Schedule "H" contains the audited financial statements of Psyence Therapeutics for the period from April 29, 2020 to October 31, 2020.

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 25th day of January,2021.

"Signed"	*"Signed"*
Jody Aufrichtig, Chief Executive Officer and Director	Warwick Corden-Lloyd, Chief Financial Officer
"Signed"	*"Signed"*
Gavin Basserabie, Director	Ryan Roebuck, Director

Schedule "A"
Cardinal Financial Statements for the nine month period ended September 30, 2020

Cardinal Capital Partners Inc.

Consolidated Condensed Interim Financial Statements
(Unaudited)

September 30, 2020

Management's Responsibility for Consolidated Condensed Interim Financial Statements

The accompanying consolidated condensed interim financial statements of Cardinal Capital Partners Inc. (the "Company" or "Cardinal") are the responsibility of the Board of Directors.

The consolidated condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the consolidated condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the consolidated condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the consolidated condensed interim financial statements and (ii) the consolidated condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"signed Ryan Roebuck"
Ryan Roebuck
Chief Executive Officer

"signed Chris Carmichael"
Chris Carmichael
Chief Financial Officer

Toronto, Canada
December 16, 2020

Cardinal Capital Partners Inc.

Consolidated Condensed Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

		September 30 2020		(Audited) December 31 2019
Assets				
Current				
Cash	$	115,651	$	140,738
Liabilities				
Current				
Accounts payable and accrued liabilities (note 6)	$	54,931	$	60,487
Shareholders' Equity				
Share capital (note 5(b))		8,328,310		8,328,310
Contributed surplus (note 5(c))		15,391,132		15,391,132
Deficit		(23,658,722)		(23,639,191)
		60,720		82,251
	$	115,651	$	140,738

Going concern (note 1)
Risk Management and Financial Risks (note 8)
Subsequent event (note 9)

On Behalf of the Board

Signed: "Chris Carmichael" , Director

Signed: "Ryan Roebuck" , Director

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

Cardinal Capital Partners Inc.
Consolidated Condensed Statements of Changes in Shareholders' Equity
For the nine months ended September 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2019	8,328,310	15,391,132	(23,620,135)	99,307
Net (loss) for the period	-	-	(12,474)	(12,474)
Balance, September 30, 2019	8,328,310	15,391,132	(23,632,608)	86,834

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2020	8,328,310	15,391,132	(23,639,191)	80,251
Net (loss) for the period	-	-	(19,531)	(19,531)
Balance, September 30, 2020	8,328,310	15,391,132	(23,658,722)	60,720

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

Cardinal Capital Partners Inc.

Consolidated Condensed Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

	Three months		Nine months	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Expenses				
General office and administration	7,625	3,133	19,531	12,474
	7,625	3,133	19,531	12,474
Net loss and comprehensive loss for the period	(7,625)	(3,133)	(19,531)	(12,474)
Basic and diluted net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding	32,066,579	32,066,579	32,066,579	32,066,579

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

Cardinal Capital Partners Inc.
Consolidated Condensed Statements of Cash Flows
For the nine months ended September 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

		2020		2019
Operating activities				
Net (loss) for the period	$	(19,531)	$	(12,474)
Items not affecting cash:				
Changes in accounts payable and accrued liabilities		(5,556)		(5,445)
Net cash flows (used in) operating activities		(25,087)		(17,919)
Increase (decrease) in cash		(25,087)		(17,919)
Cash, beginning of period		140,738		173,220
Cash, end of period	$	115,651	$	155,301

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

1. Nature of Business and Going Concern

Cardinal Capital Partners Inc. (“the Company” or “Cardinal”) was a merchant bank that assumed the role of participating lender in the acquisition, development, sales and management of real estate properties that met a predetermined set of guidelines within North American markets. On September 30, 2009 the Company ceased its operations upon the sale of its wholly-owned subsidiary Global Development Resources, Inc. (USA) (“GDR USA”). As a result of the sale of GDR USA, the Company no longer has continuing operations.

Cardinal is a publicly traded company incorporated and domiciled in Ontario. The Company’s registered office is as follows: B2 – 125 The Queensway, Suite 217, Toronto, ON M8Y 1H6.

Since inception, the Company has incurred losses and net cash outflows from operations and has funded operations through common stock issuances and debt in order to meet its strategic objective. As at September 30, 2020, the Company had $115,651 in assets to satisfy liabilities of $54,931 and continues to sustain negative cash flows from operations. As a result of the foregoing, a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Management is continuing to pursue additional financing and other business opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue to fund its operations. These consolidated condensed interim financial statements do not include any adjustments that might be necessary if the going concern assumption was not appropriate. These adjustments could be material.

2. Basis of Presentation

Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and do not include all of the information required for full annual financial statements.
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These consolidated condensed interim financial statements are prepared using IFRSs in effect at December 16, 2020, the date of the Board of Directors approving the consolidated condensed interim financial statements. Significant accounting policies used in the preparation of the consolidated condensed interim financial statements are described in Note 3.

3. Summary of Significant Accounting Policies

<u>Basis of Consolidation</u>

All intercompany transactions and balances have been eliminated.

(i) Subsidiaries

The accompanying consolidated condensed interim financial statements include the accounts of the Company and its wholly-owned subsidiaries: Eco Logic Chemical Technologies Inc. and Eco Logic Solutions Inc., both of which are inactive.

<u>Use of Estimates</u>

The preparation of these consolidated condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated condensed interim financial statements and the reported amount expenses during the year. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

3. Summary of Significant Accounting Policies - continued

Financial Instruments

IFRS 9 - Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting.

All of the Company's financial assets and liabilities are and measured at amortized cost.

Financial instruments measured at amortized cost are initially recognized at fair value, plus adjustments for transaction costs, and then subsequently measured at amortized cost using the effective interest rate method, with gains and losses recorded as a charge against earnings.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

The following table summarizes the classification of the Company’s financial assets and liabilities under IFRS 9.

	Classification
Financial assets:	
Cash	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost

Income Taxes

Income tax expense comprises current and deferred components.

Current income tax expense is the expected tax payable for the current year’s taxable income based on rates enacted or substantively enacted at the end of the reporting period and any adjustments to previous estimates.

Deferred income taxes are calculated using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in expected future tax rates is recognized in net (loss) income in the year that includes the date of substantive enactment of the revised tax rates. Deferred tax assets are recognized to the extent that it is probable that they will be realized.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies - continued

Earnings (loss) per Share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing net earnings available to common shareholders for the year by the diluted weighted average number of common shares outstanding during the year. The diluted weighted average number of shares includes the potential dilution from common shares issuable through stock options, if dilutive, using the treasury stock method. The treasury stock method assumes that the proceeds from any shares issued on the exercise of stock options are used by the Company to repurchase and cancel shares at the average market price of the Company's share price for the period. As such, where the strike price of stock options exceeds the average market price of the Company's shares for the reporting period, the inclusion of these shares under the treasury stock method would be anti-dilutive, so these shares are excluded from the calculation of the weighted average number of diluted common shares.

In the nine months ended September 30, 2020 that the Company reports a net loss, loss per share is not presented on a diluted basis, as the result would be anti-dilutive.

Share-Based Payment Transactions

The fair value of share options granted to employees, officers and directors is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and the vesting period. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted.

4. Accounting Standards Adopted

IFRS 16 – Leases was adopted on January 1, 2019. There is no impact to the Company from the adoption of IFRS 16.

5. Share Capital

a) Authorized
Unlimited common shares
Unlimited preferred shares

b) Shares issued and outstanding

	Number of Shares	Amount
Common shares		
Balance, December 31, 2018 and September 30, 2019	**32,066,579**	**$ 8,348,310**
Balance, December 31, 2019 and September 30, 2020	**32,066,579**	**$ 8,348,310**

(Expressed in Canadian dollars)

5. Share Capital – continued

c) Stock Options Outstanding

Cardinal has a stock option plan (the "Plan") which was approved by the Board of Directors of the Company. The total amount of shares reserved for issuance under the Plan is equal to 10% of the outstanding common shares.

The Plan is for the benefit of the employees, officers and directors and certain consultants of Cardinal and its subsidiaries. The Plan is administered by the Compensation Committee of the Board of Directors of the Company. The Compensation Committee may from time to time designate individuals to whom options to purchase shares of the capital stock of the Company may be granted and the number of shares to be optioned to each. The option price per share which is the subject of any option shall be fixed by the Board of Directors when such option is granted. The option price can be discounted according to the rules of the Exchange at the time the option is granted. It is Cardinal's policy that options vest fully upon issuance. The period during which an option is exercisable shall not exceed five years from the date the option is granted. The options may not be assigned, transferred or pledged. Subject to any grace period allowed under the policies of the Exchange, the options will expire upon the termination of the employment or office with Cardinal or any of its subsidiaries or death of an individual. The total number of shares to be optioned to any one individual cannot exceed five percent of the total of the issued and outstanding shares.

On November 28, 2018, the Company granted to directors, officers and consultants of the Company incentive stock options to purchase a total of 3,000,000 common shares of the Company at an exercise price of $0.01 per share, expiring November 28, 2023 and vesting immediately. The number of shares reserved for issuance under the plan is 3,206,657 of which, subsequent to this grant, 3,000,000 have been granted. On May 4, 2018, 800,000 options exercisable at $0.05 expired.

The Company determined the fair value of these stock options at November 22, 2018 to be $22,522 using the Black-Scholes option pricing model with the assumptions as follows:

Exercise price	$0.01
Stock price	$0.01
Risk-free interest rate	2.20%
Expected life	5 years
Expected volatility	100%
Dividend rate	0%

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at September 30, 2020 are as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.01	3,000,000	$0.01	3.16	3,000,000	$0.01
Total	3,000,000	$0.01	3.16	3,000,000	$0.01

(Expressed in Canadian dollars)

6. Related Party Transactions and Balances

a) At September 30, 2020, accounts payable and accrued liabilities included $30,841 (December 31, 2019 - $30,841) payable to officers and directors of the Company.

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the nine months ended September 30, 2020 and 2019 were as follows:

	2020	2019
Salaries and benefits	$ -	$ -
Share-based compensation	-	-
Total	$ -	$ -

7. Income Taxes

The estimated taxable income for the nine months ended September 30, 2020 is $Nil (September 30, 2019 - $Nil). Based on the level of historical taxable income it cannot be reasonably estimated at this time if it is more likely than not the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated taxable temporary difference valuation allowance.

The estimated taxable temporary difference valuation allowance will be adjusted in the period in which it is determined that it is more likely than not that some portion or all of the future tax assets or future tax liabilities will be realized.

For further information on the Company's actual losses for tax purposes, refer to the December 31, 2019 audited financial statements. The benefit of these losses and the estimated loss for the period ended have not been recognized in these consolidated condensed interim financial statements.

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8. Risk Management and Financial Risks

Capital Management

The Company manages its shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may attempt to issue new shares or debt, or adjust the amount of cash. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits. The Company is not subject to any externally imposed capital requirements.

Financial Risks

The Company's risk exposures and the impact on its financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company had current assets of $115,651 (December 31, 2019 - $140,738) to settle current liabilities of $54,931 (December 31, 2019 - $60,487). (See note 1).

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution.

COVID-19

During the period, there was a global outbreak of COVID-19 (coronavirus), which had a significant impact on businesses through restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations, and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.

9. Business Combination with MindHealth Biomed Corp.

On September 11, 2020, the Company and MindHealth Biomed Corp. ("MindHealth", and together with the Company, the "Parties") entered into a binding definitive agreement (the "Definitive Agreement") pursuant to which the Parties intend to complete a business combination transaction, which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of the Company by MindHealth (the "Transaction"). The combined public company resulting from the Transaction (the "Resulting Issuer") will carry on the business of MindHealth.

MindHealth is a private, British Columbia company, with a mission to become the leading supplier of branded medicinal-grade psilocybin mushroom products to the global legal psychedelic research, medical and nutraceutical industries. MindHealth intends to capitalize on significantly lower cost production in Africa to distribute and supply internationally certified medical grade psilocybin mushroom products to legal export markets, to differentiate itself through best of class cultivation, processing, distribution, brand and retail services. MindHealth currently possesses a cultivation, processing and export license for psilocybin mushrooms in Lesotho, in Southern Africa (which is one of the first commercial medical grade psilocybin mushroom cultivation licenses globally), and has commenced the build-out of a fully integrated cultivation, processing and product manufacturing facility to international standards at its licensed facility.

Under the terms of the Definitive Agreement, the Transaction will be completed by way of a three-cornered amalgamation (the "Amalgamation") among the Company, MindHealth, and 1264216 B.C. Ltd., ("Subco"), a wholly owned subsidiary of the Company incorporated for the purposes of completing the Transaction, under the Business Corporations Act (British Colombia). The Amalgamation will result in MindHealth combining its corporate existence with Subco, and the entity resulting from the Amalgamation will be a wholly-owned subsidiary of the Company.

Schedule "B"
Cardinal MD&A for the nine month period ended September 30, 2020

Cardinal Capital Partners Inc.

Management Discussion & Analysis **Dated: November 24, 2020**

The following information should be read in conjunction with the Cardinal Capital Partners Inc. unaudited consolidated financial statements for the nine months ended September 30, 2020, which are prepared in accordance with International Financial Reporting Standards (“IFRS”). All figures are expressed in Canadian dollars unless otherwise indicated.

Cardinal Capital Partners Inc. (“the Company” or “Cardinal”) was a merchant bank that assumed the role of participating lender in the acquisition, development, sales and management of real estate properties that met a predetermined set of guidelines within North American markets. On September 30, 2009 the Company ceased its operations upon the sale of its wholly owned subsidiary Global Development Resources, Inc. (USA) (“GDR USA”). As a result of the sale of GDR USA, the Company no longer has continuing operations.

On June 6, 2016 and November 8, 2017, the Company announced its plans for a business combination with Minotaur Atlantic Exploration Ltd. (“Minotaur Atlantic”), a private Nova Scotia corporation. On March 3, 2018, the Company terminated its agreement with Minotaur Atlantic Exploration Ltd.

On October 22, 2018, the Company closed a non-brokered private placement of $200,000 through the issuance of 20,000,000 common shares.

Business Combination with MindHealth Biomed Corp.

On September 11, 2020, the Company and MindHealth Biomed Corp. ("MindHealth", and together with the Company, the "Parties") entered into a binding definitive agreement (the "Definitive Agreement") pursuant to which the Parties intend to complete a business combination transaction, which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of the Company by MindHealth (the "Transaction"). The combined public company resulting from the Transaction (the "Resulting Issuer") will carry on the business of MindHealth.

MindHealth is a private, British Columbia company, with a mission to become the leading supplier of branded medicinal-grade psilocybin mushroom products to the global legal psychedelic research, medical and nutraceutical industries. MindHealth intends to capitalize on significantly lower cost production in Africa to distribute and supply internationally certified medical grade psilocybin mushroom products to legal export markets, to differentiate itself through best of class cultivation, processing, distribution, brand and retail services. MindHealth currently possesses a cultivation, processing and export license for psilocybin mushrooms in Lesotho, in Southern Africa (which is one of the first commercial medical grade psilocybin mushroom cultivation licenses globally), and has commenced the build-out of a fully integrated cultivation, processing and product manufacturing facility to international standards at its licensed facility. MindHealth is led by a team of executives who previously lead CanopyGrowth Africa, with a proven track record of execution and creation of shareholder value in Southern Africa and internationally.

Under the terms of the Definitive Agreement, the Transaction will be completed by way of a threecornered amalgamation (the "Amalgamation") among the Company, MindHealth, and 1264216 B.C. Ltd., ("Subco"), a wholly owned subsidiary of the Company incorporated for the purposes of completing the Transaction, under the Business Corporations Act (British Colombia). The Amalgamation will result in MindHealth combining its corporate existence with Subco, and the entity resulting from the Amalgamation will be a wholly-owned subsidiary of the Company.

Prior to the completion of the Transaction, the Company intends to hold an annual, general and special meeting of shareholders to approve certain matters required to be completed in connection with the Transaction pursuant to the Definitive Agreement, including, among other things, (i) a consolidation of the issued and outstanding common shares of the Company (the "Cardinal Shares") on the basis of one (1) post-consolidation Cardinal Share for every 19.24 pre-consolidation Cardinal Shares (the "Consolidation"), (ii) the Board and Management Reconstitution (as defined and described below), and (iii) a change in the name of the Company to "MindHealth Biomed Corp." or such other name as may be accepted by the relevant regulatory authorities and acceptable to MindHealth (the "Name Change"). MindHealth also intends to hold a special meeting of shareholders to approve, among other things, the Transaction and the Amalgamation.

Under the terms of the Definitive Agreement, in connection with the Transaction: (i) the holders of the issued and outstanding common shares of MindHealth (the "MindHealth Shares") will receive (A) if the Consolidation is completed in accordance with its terms prior to the closing of the Transaction, 1.0649 common shares of the Resulting Issuer (the "Resulting Issuer Shares") for each MindHealth Share held, or (B) if the Consolidation is not completed in accordance with its terms prior to the closing of the Transaction, 20.4904 Resulting Issuer Shares for each MindHealth Share held (the "Exchange Ratio"); and (ii) all outstanding exercisable or convertible securities of MindHealth (collectively, the "MindHealth Convertible Securities") will be exchanged for equivalent exercisable or convertible securities of the Resulting Issuer (the "Resulting Issuer Convertible Securities"), as determined in accordance with and to give effect to the Exchange Ratio, and entitling the holders thereof to acquire Resulting Issuer Shares in lieu of MindHealth Shares, subject to any adjustments required pursuant to the terms of such MindHealth Convertible Securities or to comply with applicable laws.

Upon closing of the Transaction, and assuming that the Consolidation is completed in accordance with its terms prior to the closing of the Transaction (but without accounting for securities of MindHealth issued in the Potential MindHealth Private Placement, as defined below), it is expected that the Resulting Issuer will have approximately 49,638,931 Resulting Issuer Shares issued and outstanding (on a non-diluted basis), of which (i) approximately 45,972,274 Resulting Issuer Shares (or 92.613%) will be held by the former MindHealth shareholders, and (ii) approximately 3,666,657 Resulting Shares (or 7.387%) will be held by the shareholders of the Company existing prior to closing (which includes Cardinal Shares held by certain eligible finders of the Company).

The Transaction is an arm's length transaction and is subject to customary closing conditions and requisite regulatory approvals, as described below.

As previously announced in the Company's press release dated August 11, 2020 and filed on SEDAR, MindHealth recently completed an oversubscribed, non-brokered private placement for aggregate gross proceeds of CAD$4,791,720. MindHealth considers itself adequately financed to execute on its business plan for the foreseeable future, however, contingent on market conditions, prior to the completion of the transaction, MindHealth may complete an additional non-brokered private placement of equity, debt or convertible securities of MindHealth (the "Potential MindHealth Private Placement"), on terms and conditions determined by MindHealth at an issue price per security of not less than
CAD$0.25.

Upon completion of the Transaction, it is anticipated that the board of directors and management of the Resulting Issuer will be reconstituted such that the directors of the Resulting Issuer will be comprised of Jody Aufrichtig (Chairman), Gavin Basserabie and three (3) other nominees of MindHealth, and the officers of the Resulting Issuer will be comprised of Mr. Aufrichtig and two (2) other nominees of MindHealth (the "Board and Management Reconstitution"). Further details about the proposed nominee directors and officers of the Resulting Issuers (including biographies) will be provided in a comprehensive press release at such time as the parties have settled upon all nominees.

Completion of the Transaction is subject to a number of conditions customary to transactions of the nature of the Transaction, including, but not limited to: (i) the receipt of all required regulatory, corporate, shareholder, stock exchange, and third-party approvals, and (ii) the completion of the Consolidation, the Name Change, and the Board and Management Reconstitution. There can be no assurance that any one or more of the Transaction, the Consolidation, the Name Change, the Board and Management Reconstitution, and/or any other matters to be undertaken in connection with the Transaction will be completed as proposed or at all.

Overall Performance

As at September 30, 2020 the Company had $115,651 in assets (December 31, 2019 - $140,738) which consisted of cash of $115,651 (December 31, 2019 – cash of $140,738).

For the nine months ended September 30, 2020, Cardinal had a net loss of $19,531 or $0.00 per share compared to a net loss of $12,474 or $0.00 per share for the same period in 2019.

Operating Results for the nine months ended September 30, 2020

Revenue

The Company had revenue of $Nil for the nine months ended September 30, 2020 (September 30, 2019 - $Nil). If the Company is able to finance its operations, interest and loan revenue will increase.

General and Administrative Expenses

General office and administration totaled $19,531 for the nine months ended September 30, 2020 as compared to $12,474 in the same period during 2019. As the Company has ceased operations, the expected trend is to be minimal general and administrative expenses.

Net Income (Loss)

For the nine months ended September 30, 2020, Cardinal had a net loss of 19,531 or $0.00 per share compared to a net loss of $12,474 or $0.00 per share for the same period in 2019.

Operating Results for the three months ended September 30, 2020

Revenue

The Company had revenue of $Nil for the three months ended September 30, 2020 (September 30, 2019 - $Nil). If the Company is able to finance its operations, interest and loan revenue will increase.

General and Administrative Expenses

General office and administration totaled $7,625 for the three months ended September 30, 2020 as compared to 3,133 in the same period during 2019. As the Company has ceased operations, the expected trend is to be minimal general and administrative expenses.

Net Income (Loss)

For the three months ended September 30, 2020, Cardinal had a net loss of $7,625 or $0.00 per share compared to a net loss of $3,133 or $0.00 per share for the same period in 2019.

Summary of Quarterly Results

For the quarters ended		**Sep 30/20**		**Jun 30/20**		**Mar 31/20**		**Dec 31/19**
Total revenue	$	-	$	-	$	-	$	-
Net income (loss) for the period		(7,625)		(7,500)		(4,405)		(6,582)
Net loss per share (1)	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)

For the quarters ended		**Sep 30/19**		**Jun 30/19**		**Mar 31/19**		**Dec 31/18**
Total revenue	$	-	$	-	$	-	$	-
Net income (loss) for the period		(3,133)		(4,783)		(4,558)		(31,679)
Net loss per share (1)	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)

(1) Net income (loss) per share has been calculated using the weighted average number of common shares during each period. Diluted income (loss) per share was not calculated as it would be anti-dilutive.

Liquidity

As at September 30, 2020, the Company had current assets of $115,651 (December 31, 2019 - $140,732) to settle current liabilities of $54,930 (December 31, 2019 - $60,487). All of the Company's financial liabilities have contractual maturities of less than one year. Management is continuing to follow up on additional financing opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds continue to fund its operations.

Capital Resources

Management is not aware of any significant commitments or expected fluctuations with respect to its Capital Resources at the date of its interim financial statements.

Off-balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at the date of its financial statements.

Transactions with Related Parties

At September 30, 2020 accounts payable and accrued liabilities included $34,508 (December 31, 2019 - $30,841) payable to officers and directors of the Company.

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the nine months ended September 30, 2020 and 2019 were as follows:

	2020	2019
Salaries and benefits	$ -	$ -
Share-based compensation	-	-
Total	$ -	$ -

Disclosure of Management Compensation

The Company does not have any standard compensation agreements with directors or officers as of the date of this report.

Subsequent Events

None.

Critical Accounting Estimates

The preparation of the accompanying consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

Financial Instruments

IFRS 9 - Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There was no impact on the adoption of IFRS 9 to the comparative period ended September 30, 2019.

All of the Company's financial assets and liabilities are and measured at amortized cost.

Financial instruments measured at amortized cost are initially recognized at fair value, plus adjustments for transaction costs, and then subsequently measured at amortized cost using the effective interest rate method, with gains and losses recorded as a charge against earnings.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

The following table summarizes the classification of the Company's financial assets and liabilities under IFRS 9 and IAS 39:

	IFRS 9	IAS 39
Financial assets:		
Cash	Amortized cost	Amortized cost
Financial liabilities:		
Amounts payable and other liabilities	Amortized cost	Amortized cost
Deposit	Amortized cost	Amortized cost

Risks and Uncertainties

Risk Management

The success of Cardinal is dependent upon its ability to assess and manage all forms of risk that affect its operations. Cardinal is exposed to many factors that could adversely affect its business, financial conditions or operating results. Developing policies and procedures to identify risk and the implementation of appropriate risk management policies and procedures is the responsibility of senior management and the Board of Directors. The Board directly, or through its committees, reviews and approves these policies and procedures, and monitors their compliance with them through ongoing reporting requirements. A description of the Company's most prominent risks follows.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at September 30, 2020, the Company had current assets of $115,651 (December 31, 2019 $140,738) to settle current liabilities of $54,930 (December 31, 2019 - $60,487). All of the Company's financial liabilities have contractual maturities of less than one year. Management is continuing to follow up on additional financing opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds continue to fund its operations.

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution.

Other Data

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

Share Data

Outstanding Shares

Common Shares - 32,056,579 as at December 31, 2019, September 30, 2020 and November 27, 2020.

Outstanding Options

As at December 31, 2019, September 30, 2020 and November 27, 2020 the Company had issued 3,000,000 stock options at an exercise price of $0.01 per share, expiring November 28, 2023 and vesting immediately.

Forward-Looking Information

These materials include certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Other than statement of historical fact, all statements in this material, including, without limitation, statements regarding disclosure of contingent liabilities at the date of the consolidated financial statements and financial statement items subject to significant management judgment include revenue recognition; loan impairment and losses; the valuation of accounts receivable, the valuation of bridge loans and development and rental properties, future income tax assets, estimated asset retirement obligations, and future plans and objectives of the Company, are forward–looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of these materials. Important factors that could cause actual results to differ materially from the Company's expectations include, without limitation, the level of bridge loans completed, the nature and credit quality of the collateral security, estimated asset retirement obligations, as well as those factors discussed in the Company's documents filed from time to time with the TSX Venture Exchange, Canadian securities regulators and other regulatory authorities. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.

Schedule "C"
Cardinal Audited Financial Statements for the financial years ended December 31, 2019, 2018, and 2017

Cardinal Capital Partners Inc.

Consolidated Financial Statements

December 31, 2019 and 2018

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. These consolidated financial statements contain estimates based on management’s judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors reviews the results of the annual audit and the consolidated financial statements prior to submitting the consolidated financial statements to the Board for approval.

The Company’s auditors, MNP LLP, are appointed by the shareholders to conduct an audit and their report follows.

Signed: “Ryan Roebuck”
Ryan Roebuck
Chief Executive Officer

Signed: “Chris Carmichael”
Chris Carmichael
Chief Financial Officer

Toronto, Canada
April 29, 2020

Independent Auditor's Report

To the Shareholders of Cardinal Capital Partners Inc.:

Opinion

We have audited the consolidated financial statements of Cardinal Capital Partners Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred losses and net cash outflows from operations since inception. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

April 29, 2020 — Licensed Public Accountants

Cardinal Capital Partners Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

		December 31 2019		December 31 2018
Assets				
Current				
Cash	$	140,738	$	173,220
Liabilities				
Current				
Accounts payable and accrued liabilities (note 6)	$	60,487	$	73,913
Shareholders' Equity				
Share capital (note 5(b))		8,328,310		8,328,310
Contributed surplus (note 5(c))		15,391,132		15,391,132
Deficit		(23,639,191)		(23,620,134)
		82,251		99,307
	$	140,738	$	173,220

Going concern (note 1)
Risk Management and Financial Risks (note 8)
Subsequent event (note 9)

On Behalf of the Board

Signed: "Ryan Roebuck", Director

Signed: "Chris Carmichael", Director

The accompanying notes are an integral part of these consolidated financial statements.

Cardinal Capital Partners Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2018	8,123,310	15,368,610	(23,606,812)	(114,892)
Shares issued in private placement (note 5(b))	200,000	-	-	200,000
Share issue costs (note 5(b))	(20,000)	-	-	(20,000)
Shares issued for debt (note 5(b))	25,000	-	-	25,000
Share based compensation (note 5(c))	-	22,522	-	22,522
Net loss for the year	-	-	(13,322)	(13,322)
Balance, December 31, 2018	8,328,310	15,391,132	(23,620,134)	99,307

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2019	8,328,310	15,391,132	(23,620,134)	99,307
Net loss for the year	-	-	(19,056)	(19,056)
Balance, December 31, 2019	8,328,310	15,391,132	(23,639,191)	80,251

The accompanying notes are an integral part of these consolidated financial statements.

Cardinal Capital Partners Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2019 and 2018
(Expressed in Canadian dollars)

		2019		2018
Expenses				
General office and administration	$	19,056	$	23,300
Share-based compensation (notes 5(c) and 6)		-		22,522
		19,056		45,822
Net loss before forgiveness of debt and income taxes		(19,056)		(45,822)
Forgiveness of debt (notes 5(c) and 6)		-		32,500
Net loss and comprehensive loss for the year		(19,056)		(13,322)
Basic and diluted net loss per share	$	(0.00)	$	(0.00)
Weighted average number of shares outstanding		32,066,579		13,881,647

The accompanying notes are an integral part of these consolidated financial statements.

Cardinal Capital Partners Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(Expressed in Canadian dollars)

	2019	2018
Operating activities		
Net (loss) for the year	$ (19,056)	$ (13,322)
Items not affecting cash:		
Share-based compensation	-	22,522
Forgiveness of debt	-	(32,500)
Changes in working capital:		
Changes in accounts payable and accrued liabilities	(13,426)	15,805
Net cash flows (used in) operating activities	(32,482)	(7,495)
Financing activities		
Issuance of common shares	-	200,000
Share issue costs	-	(20,000)
	-	180,000
(Decrease) increase in cash	(32,482)	172,505
Cash, beginning of year	173,220	715
Cash, end of year	$ 140,738	$ 173,220

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business and Going Concern

Cardinal Capital Partners Inc. (“the Company” or “Cardinal”) was a merchant bank that assumed the role of participating lender in the acquisition, development, sales and management of real estate properties that met a predetermined set of guidelines within North American markets. On September 30, 2009 the Company ceased its operations upon the sale of its wholly-owned subsidiary Global Development Resources, Inc. (USA) (“GDR USA”). As a result of the sale of GDR USA, the Company no longer has continuing operations.

Cardinal is a publicly traded company incorporated and domiciled in Ontario. The Company’s registered office is as follows: B2 – 125 The Queensway, Suite 217, Toronto, ON M8Y 1H6.

Since inception, the Company has incurred losses and net cash outflows from operations and has funded operations through common stock issuances and debt in order to meet its strategic objective. As at December 31, 2019, the Company had $140,738 in assets to satisfy liabilities of $60,487 and continues to sustain negative cash flows from operations. As a result of the foregoing, a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Management is continuing to pursue additional financing and other business opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue to fund its operations. These consolidated financial statements do not include any adjustments that might be necessary if the going concern assumption was not appropriate. These adjustments could be material.

2. Basis of Presentation

Statement of Compliance

These consolidated financial statements, including comparative periods, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”).

These consolidated financial statements are prepared using IFRSs in effect at April 29, 2020, the date the Board of Directors approved the consolidated financial statements. Significant accounting policies used in the preparation of the consolidated financial statements are described in Note 3.

3. Summary of Significant Accounting Policies

Basis of Consolidation

All intercompany transactions and balances have been eliminated.

(i) Subsidiaries

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Eco Logic Chemical Technologies Inc. and Eco Logic Solutions Inc., both of which are inactive.

Use of Estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount expenses during the year. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

3. Summary of Significant Accounting Policies - continued

Financial Instruments

IFRS 9 - Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting.

All of the Company's financial assets and liabilities are and measured at amortized cost.

Financial instruments measured at amortized cost are initially recognized at fair value, plus adjustments for transaction costs, and then subsequently measured at amortized cost using the effective interest rate method, with gains and losses recorded as a charge against earnings.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

The following table summarizes the classification of the Company’s financial assets and liabilities under IFRS 9.

	Classification
Financial assets:	
Cash	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost

Income Taxes

Income tax expense comprises current and deferred components.

Current income tax expense is the expected tax payable for the current year’s taxable income based on rates enacted or substantively enacted at the end of the reporting period and any adjustments to previous estimates.

Deferred income taxes are calculated using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in expected future tax rates is recognized in net (loss) income in the year that includes the date of substantive enactment of the revised tax rates. Deferred tax assets are recognized to the extent that it is probable that they will be realized.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies - continued

Earnings (loss) per Share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing net earnings available to common shareholders for the year by the diluted weighted average number of common shares outstanding during the year. The diluted weighted average number of shares includes the potential dilution from common shares issuable through stock options, if dilutive, using the treasury stock method. The treasury stock method assumes that the proceeds from any shares issued on the exercise of stock options are used by the Company to repurchase and cancel shares at the average market price of the Company's share price for the period. As such, where the strike price of stock options exceeds the average market price of the Company's shares for the reporting period, the inclusion of these shares under the treasury stock method would be anti-dilutive, so these shares are excluded from the calculation of the weighted average number of diluted common shares.

In years that the Company reports a net loss, loss per share is not presented on a diluted basis, as the result would be anti-dilutive.

Share-Based Payment Transactions

The fair value of share options granted to employees, officers and directors is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and the vesting period. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted.

4. Accounting Standards Adopted

IFRS 16 – Leases was adopted on January 1, 2019. There is no impact to the Company from the adoption of IFRS 16.

5. Share Capital

a) Authorized
Unlimited common shares
Unlimited preferred shares

b) Shares issued and outstanding

	Number of Shares		Amount
Common shares			
Balance, January 1, 2018	9,566,579	$	8,123,310
Private placement (note i)	20,000,000		180,000
Shares for debt (note ii)	2,500,000		25,000
Balance, December 31, 2018 and December 31, 2019	32,066,579		8,328,310

(i) On October 22, 2018, the Company issued 20,000,000 common shares at a price of $0.01 per share. The Company incurred $20,000 of costs related to the financing.

(ii) On October 22, 2018, the Company issued 2,500,000 against payables owing to an officer and director of the Company at a fair value of $0.01 per share.

(Expressed in Canadian dollars)

5. Share Capital – continued

c) Stock Options Outstanding

Cardinal has a stock option plan (the "Plan") which was approved by the Board of Directors of the Company. The total amount of shares reserved for issuance under the Plan is equal to 10% of the outstanding common shares.

The Plan is for the benefit of the employees, officers and directors and certain consultants of Cardinal and its subsidiaries. The Plan is administered by the Compensation Committee of the Board of Directors of the Company. The Compensation Committee may from time to time designate individuals to whom options to purchase shares of the capital stock of the Company may be granted and the number of shares to be optioned to each. The option price per share which is the subject of any option shall be fixed by the Board of Directors when such option is granted. The option price can be discounted according to the rules of the Exchange at the time the option is granted. It is Cardinal's policy that options vest fully upon issuance. The period during which an option is exercisable shall not exceed five years from the date the option is granted. The options may not be assigned, transferred or pledged. Subject to any grace period allowed under the policies of the Exchange, the options will expire upon the termination of the employment or office with Cardinal or any of its subsidiaries or death of an individual. The total number of shares to be optioned to any one individual cannot exceed five percent of the total of the issued and outstanding shares.

On November 28, 2018, the Company granted to directors, officers and consultants of the Company incentive stock options to purchase a total of 3,000,000 common shares of the Company at an exercise price of $0.01 per share, expiring November 28, 2023 and vesting immediately. The number of shares reserved for issuance under the plan is 3,206,657 of which, subsequent to this grant, 3,000,000 have been granted. On May 4, 2018, 800,000 options exercisable at $0.05 expired.

The Company determined the fair value of these stock options at November 22, 2018 to be $22,522 using the Black-Scholes option pricing model with the assumptions as follows:

Exercise price	$0.01
Stock price	$0.01
Risk-free interest rate	2.20%
Expected life	5 years
Expected volatility	100%
Dividend rate	0%

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at December 31, 2019 are as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.01	3,000,000	$0.01	3.91	3,000,000	$0.01
Total	3,000,000	$0.01	3.91	3,000,000	$0.01

(Expressed in Canadian dollars)

6. Related Party Transactions and Balances

a) At December 31, 2019, accounts payable and accrued liabilities included $30,841 (December 31, 2018 - $30,683) payable to officers and directors of the Company. During 2018, $57,500 of accrued payables and accrued was settled in shares at a fair value of $0.01 per share, for a gain of $32,500.

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the years ended December 31, 2019 and 2018 were as follows:

		2019		2018
Salaries and benefits	$	-	$	-
Share-based compensation (note 5(c))		-		18,768
Total	$	-	$	18,768

7. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2018 - 26.5%) to the effective tax rate is as follows:

		2019		2018
Loss before income taxes	$	(19,056)	$	(13,322)
Expected income tax recovery		(5,050)		(3,530)
Share-based compensation and non-deductible expenses		-		(2,640)
Share issue costs booked directly through equity		-		(5,300)
Utilization of losses not previously recognized		-		8,610
Change in temporary differences not recognized		5,050		2,860
Total	$	-	$	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize these benefits:

		2019		2018
Non-capital losses	$	1,192,500	$	1,169,450
Net capital losses	$	10,639,090	$	10,639,090
Share issue costs	$	12,000	$	16,000

The non-capital losses carried forward will expire between 2027 and 2039. The net capital losses may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue costs will be deducted between 2020 and 2022.

8. Risk Management and Financial Risks

Capital Management

The Company manages its shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may attempt to issue new shares or debt, or adjust the amount of cash. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits. The Company is not subject to any externally imposed capital requirements.

Financial Risks

The Company's risk exposures and the impact on its financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2019, the Company had current assets of $140,738 (2018 - $173,220) to settle current liabilities of $60,487 (2018 - $73,913). (See note 1).

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution.

9. Subsequent Event

COVID-19

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which had a significant impact on businesses through restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations, and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.

Cardinal Capital Partners Inc.

Consolidated Financial Statements

December 31, 2017 and 2016

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. These consolidated financial statements contain estimates based on management’s judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors reviews the results of the annual audit and the consolidated financial statements prior to submitting the consolidated financial statements to the Board for approval.

The Company’s auditors, MNP LLP, are appointed by the shareholders to conduct an audit and their report follows.

“signed Chris Carmichael”
Chris Carmichael
Chief Executive Officer

“signed Andrew Hilton”
Andrew Hilton
Chief Financial Officer

Toronto, Canada
April 30, 2018

Independent Auditors' Report

To the Shareholders of Cardinal Capital Partners Inc.:

We have audited the accompanying consolidated financial statements of Cardinal Capital Partners Inc., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of changes in shareholders' deficiency, comprehensive loss, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cardinal Capital Partners Inc. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Cardinal Capital Partners Inc.'s ability to continue as a going concern.

MNP LLP

Mississauga, Ontario

Chartered Professional Accountants

April 30, 2018

Licensed Public Accountants

Cardinal Capital Partners Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31 2017	December 31 2016
Assets		
Current		
Cash	$ 715	$ 795
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	$ 83,106	$ 75,720
Deposit (note 6)	32,500	20,000
	115,606	95,720
Shareholders' (Deficiency)		
Share capital (note 5(b))	8,123,310	8,123,310
Contributed surplus (note 5(c))	15,368,610	15,368,610
Deficit	(23,606,812)	(23,586,845)
	(114,892)	(94,925)
	$ 715	$ 795

Going concern (note 1)
Risk Management and Financial Risks (note 8)
Subsequent Event (note 9)

On Behalf of the Board

Signed: "Chris Carmichael", Director

Signed: "Peter MacLean", Director

The accompanying notes are an integral part of these consolidated financial statements.

Cardinal Capital Partners Inc.

Consolidated Statements of Changes in Shareholders' Deficiency

For the years ended December 31, 2017 and 2016

(Expressed in Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2016	8,123,310	15,347,579	(23,532,059)	(61,170)
Net (loss) for the year	-	-	(54,786)	(54,786)
Stock based compensation	-	21,031	-	21,031
Balance, December 31, 2016	8,123,310	15,368,610	(23,586,845)	(94,925)

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2017	8,123,310	15,368,579	(23,586,846)	(94,925)
Net (loss) for the year	-	-	(19,966)	(19,966)
Balance, December 31, 2017	8,123,310	15,368,579	(23,606,812)	(114,892)

The accompanying notes are an integral part of these consolidated financial statements.

Cardinal Capital Partners Inc.
Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

		2017		2016
Expenses				
General office and administration	$	19,966	$	33,755
Share-based compensation (notes 5(c) and 6)		-		21,031
		19,966		54,786
Net (loss) before other income and taxes		(19,966)		(54,786)
Income taxes (note 7)		-		-
Net (loss) and comprehensive (loss) for the year		(19,966)		(54,786)
Basic and diluted net (loss) per share	$	(0.00)	$	(0.00)
Weighted average number of shares outstanding		9,566,579		9,566,579

The accompanying notes are an integral part of these consolidated financial statements.

Cardinal Capital Partners Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Operating activities		
Net (loss) for the year	$ (19,966)	$ (54,786)
Items not affecting cash:		
Share-based compensation	-	21,031
Changes in accounts payable and accrued liabilities	7,386	13,755
Net cash flows (used in) operating activities	(12,580)	(20,000)
Financing activities		
Deposit received (note 6)	12,500	20,000
(Decrease) increase in cash	-	-
Cash, beginning of year	795	795
Cash, end of year	$ 715	$ 795

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business and Going Concern

Cardinal Capital Partners Inc. ("the Company" or "Cardinal") was a merchant bank that assumed the role of participating lender in the acquisition, development, sales, and management of real estate properties that met a predetermined set of guidelines within North American markets. On September 30, 2009, the Company ceased its operations upon the sale of its wholly-owned subsidiary Global Development Resources, Inc. (USA) ("GDR USA"). As a result of the sale of GDR USA, the Company no longer has continuing operations.

Cardinal is a publicly traded company incorporated and domiciled in Ontario. The Company's registered office is as follows: B2 – 125 The Queensway, Suite 217, Toronto, ON M8Y 1H6. The Company's common shares are listed on the NEX board of the Toronto Venture Exchange under the symbol CCP.H.

Since inception, the Company has incurred losses and net cash outflows from operations and has funded operations through common stock issuances and debt in order to meet its strategic objective. As at December 31, 2017, the Company had $715 in assets to satisfy liabilities of $115,606. As a result of the foregoing, there exists significant doubt about the Company's ability to continue as a going concern. Management is continuing to pursue additional financing and other business opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue to fund its operations. These consolidated financial statements do not include any adjustments that might be necessary if the going concern assumption was not appropriate.

2. Basis of Presentation

Statement of Compliance

These consolidated financial statements, including comparative periods, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements are prepared using IFRSs in effect at April 30, 2018, the date the Board of Directors approved the consolidated financial statements. Significant accounting policies used in the preparation of the consolidated financial statements are described in Note 3.

3. Summary of Significant Accounting Policies

<u>Basis of Consolidation</u>

All significant intercompany transactions and balances have been eliminated.

(i) Subsidiaries

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Eco Logic Chemical Technologies Inc. and Eco Logic Solutions Inc., both of which are inactive.

<u>Use of Estimates</u>

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

3. Summary of Significant Accounting Policies - continued

Financial Instruments

Financial assets are classified into one of four categories: fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale; financial liabilities are classified into one of two categories: fair value through profit or loss and other financial liabilities. The subsequent treatment of changes in fair value depends on their initial classification, as follows: fair value through profit or loss financial assets are measured at fair value and changes in fair value are recognized in net income or loss; available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income or loss until the investment is derecognized or impaired at which time the amounts are recorded in net income or loss.

Cash is designated as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities which are measured at amortized cost. The fair values of all financial instruments outstanding at December 31, 2017 approximate their carrying values.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

Revenue Recognition

Interest income is recorded on an accrual basis using the effective interest method.

Income Taxes

Income tax expense comprises current and deferred components.

Current income tax expense is the expected tax payable for the current period's taxable income based on rates enacted or substantively enacted at the end of the reporting period and any adjustments to previous estimates.

Deferred income taxes are calculated using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in expected future tax rates is recognized in net (loss) income in the period that includes the date of substantive enactment of the revised tax rates. Deferred tax assets are recognized to the extent that it is probable that they will be realized.

Earnings (loss) per Share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing net earnings available to common shareholders for the period by the diluted weighted average number of common shares outstanding during the period. The diluted weighted average number of shares includes the potential dilution from common shares issuable through stock options, if dilutive, using the treasury stock method. The treasury stock method assumes that the proceeds from any shares issued on the exercise of stock options are used by the Company to repurchase and cancel shares at the average market price of the Company's share price for the period. As such, where the strike price of stock options exceeds the average market price of the Company's shares for the reporting period, the inclusion of these shares under the treasury stock method would be anti-dilutive, so these shares are excluded from the calculation of the weighted average number of diluted common shares.

In years that the Company reports a net loss, loss per share is not presented on a diluted basis, as the result would be anti-dilutive.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies - continued

Share - based Payment Transactions

The fair value of share options granted to employees, officers and directors is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized immediately. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted.

4. New and Revised IFRS's in Issue but Not Yet Effective

A number of new standards and issued amendments to standards and interpretations are not yet effective for the period ending December 31, 2017, and have not been applied when preparing these consolidated financial statements. The following standard is the only such standard which management believes may be applicable to the Company. The Company does not anticipate any impact on its consolidated financial statements as a result of adopting the following new standard:

IFRS 9 - Financial instruments

IFRS 9, "Financial instruments" ("IFRS 9") was issued by the IASB in its final form in July 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

5. Share Capital

a) Authorized

Unlimited common shares (December 31, 2016 - unlimited)
Unlimited preferred shares (December 31, 2016 – unlimited)

b) Shares issued and outstanding

	Number of Shares	Amount
Common shares		
Balance, December 31, 2017 and 2016	9,566,579	$ 8,123,310

(Expressed in Canadian dollars)

5. Share Capital – continued

c) Stock Options Outstanding

Cardinal has a stock option plan (the "Plan") which was approved by the Board of Directors of the Company. The total amount of shares reserved for issuance under the Plan is equal to 10% of the outstanding common shares.

The Plan is for the benefit of the employees, officers and directors and certain consultants of Cardinal and its subsidiaries. The Plan is administered by the Compensation Committee of the Board of Directors of the Company. The Compensation Committee may from time to time designate individuals to whom options to purchase shares of the capital stock of the Company may be granted and the number of shares to be optioned to each. The option price per share which is the subject of any option shall be fixed by the Board of Directors when such option is granted. The option price can be discounted according to the rules of the Exchange at the time the option is granted. It is Cardinal's policy that options vest fully upon issuance. The period during which an option is exercisable shall not exceed five years from the date the option is granted. The options may not be assigned, transferred or pledged. Subject to any grace period allowed under the policies of the Exchange, the options will expire upon the termination of the employment or office with Cardinal or any of its subsidiaries or death of an individual. The total number of shares to be optioned to any one individual cannot exceed five percent of the total of the issued and outstanding shares.

On May 4, 2016 the Company announced that under its stock option plan, it had granted to directors and officers of the Company incentive stock options to purchase a total of 800,000 common shares of the Company at an exercise price of $0.05 per share, expiring May 4, 2018 and vesting immediately. The number of shares reserved for issuance under the plan is 956,658 of which, subsequent to this grant, 800,000 have been granted.

The Company determined the fair value of these stock options at May 4, 2016 to be $21,031 using the Black-Scholes option pricing model with the assumptions as follows:

Exercise price	0.05
Stock price	0.05
Risk-free interest rate	1.10%
Expected life	2 years
Expected volatility	100%
Dividend rate	0%

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at December 31, 2017 are as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.05	800,000	$0.05	0.34	800,000	$0.05
Total	800,000	$0.05	0.34	800,000	$0.05

(Expressed in Canadian dollars)

6. Related Party Transactions and Balances

a) At December 31, 2017 accounts payable and accrued liabilities included $37,355 (December 31, 2016 - $27,888) payable to officers and directors of the Company.

b) On June 6, 2016 the Company announced that it has executed a definitive agreement ("Agreement") for a business combination (the "Transaction") with Minotaur Atlantic Exploration Ltd. ("Minotaur"), a private Ontario corporation. The Transaction was expected to take the form of an amalgamation, arrangement, share purchase, or similar form of business combination. Under the terms of the Agreement, the Transaction was to be structured such that each Cardinal shareholder will receive one (1) combined entity ("Amalco") share for each two (2) Cardinal shares owned and each Minotaur shareholder will receive one (1) Amalco shares for each one (1) Minotaur share owned. Chris Carmichael, Chief Executive Officer and Director of the Company was the Chief Financial Officer of Cogonov, Minotaur's former parent company. Completion of the Transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. On November 6, 2017, the structure of the Transaction was amended such that each Cardinal shareholder will receive one (1) combined entity ("Amalco") share for each one (1) Cardinal shares owned and each Minotaur shareholder will receive one (1) Amalco shares for each one (1) Minotaur share owned. The Transaction closing date was also extended to December 31, 2017.

The Company received a non-interest bearing, unsecured deposit in the amount of $12,500 (2016 - $20,000) during the year, pursuant to the terms of the Agreement.

In March 2018, the Company terminated the Agreement (note 9).

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Salaries and benefits	$ -	$ -
Share-based compensation (note 5(c))	-	21,031
Total	$ -	$ 21,031

7. Income Taxes

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize these benefits:

	2017	2016
Non-capital losses	$ 1,174,646	$ 1,154,680
Net capital losses	$ 10,639,090	$ 10,639,090

The non-capital losses carried forward will expire between 2027 and 2037.
The net capital losses may be carried forward indefinitely, but can only be used to reduce capital gains.

8. Risk Management and Financial Risks

Capital Management

The Company manages its shareholders' equity (currently a deficiency) as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may attempt to issue new shares or debt, or adjust the amount of cash. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits. The Company is not subject to any externally imposed capital requirements.

Financial Risks

The Company's risk exposures and the impact on its financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had current assets of $715 (December 31, 2016 - $795) to settle current liabilities of $115,606 (December 31, 2016 - $95,720) (See note 1).

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution.

9. Subsequent Events

On March 3, 2018, the Company terminated its agreement with Minotaur Atlantic Exploration Ltd. (note 6(b)).

Schedule "D"
Cardinal MD&A for the financial year ended December 31, 2019

Cardinal Capital Partners Inc.

Management Discussion & Analysis **Dated: April 29, 2020**

The following information should be read in conjunction with the Cardinal Capital Partners Inc. audited consolidated financial statements for the years ended December 31, 2019 and 2018, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are expressed in Canadian dollars unless otherwise indicated.

Cardinal Capital Partners Inc. ("the Company" or "Cardinal") was a merchant bank that assumed the role of participating lender in the acquisition, development, sales and management of real estate properties that met a predetermined set of guidelines within North American markets. On September 30, 2009 the Company ceased its operations upon the sale of its wholly owned subsidiary Global Development Resources, Inc. (USA) ("GDR USA"). As a result of the sale of GDR USA, the Company no longer has continuing operations.

On June 6, 2016 the Company announced that it executed a definitive agreement (the "Minotaur Agreement") for a business combination (the "Minotaur Transaction") with Minotaur Atlantic Exploration Ltd. ("Minotaur Atlantic"), a private Nova Scotia corporation. The Minotaur Transaction is expected to take the form of an amalgamation, arrangement, share purchase, or similar form of business combination. The Company plans to apply to be a Tier 2 mining issuer on the TSX Venture Exchange (the "Exchange").

Minotaur Atlantic, incorporated in Nova Scotia on July 16, 2007, is a private resource company focused on the exploration and development of copper and gold deposits in central Nova Scotia, Canada. The key project is Copper Lake, consisting of 164 claims located 25 kilometers south of Antigonish, Nova Scotia. A vein controlled copper/gold system, Copper Lake has seen mining in the past and more recently, it has been the focus of advanced exploration by Minotaur Atlantic who have conducted soil sampling, prospecting, geophysics, drilling and trenching. Copper and gold has been confirmed in the system and the 2016 trenching program will focus on defining targets for a Phase II drill program. At Barneys River, Minotaur Atlantic has 99 claims covering previously defined gravity targets. Basic ground work will be conducted will be conducted in 2017.

On November 8, 2017, the Company executed a new definitive agreement for a business combination with Minotaur Atlantic Exploration Ltd. ("Minotaur Atlantic"), a private Nova Scotia corporation. The Transaction is expected to take the form of an amalgamation, arrangement, share purchase, or similar form of business combination. The Company plans to apply to be a Tier 2 mining issuer on the TSX Venture Exchange or a mining issuer on the Canadian Stock Exchange. A previous agreement between Cardinal Capital and Minotaur Atlantic which was announced in May 2016 was terminated upon execution of this Agreement.

On March 3, 2018, the Company terminated its agreement with Minotaur Atlantic Exploration Ltd.

On October 22, 2018, the Company closed a non-brokered private placement of $200,000 through the issuance of 20,000,000 common shares.

Overall Performance

As at December 31, 2019 the Company had $140,738 in assets (December 31, 2018 - $173,220) which consisted of cash of $140,738 (2018 – cash of $173,220).

For the year ended December 31, 2019 Cardinal had a net loss of $19,056 or $0.00 per share compared to a net loss of $13,322 or $0.00 per share for the same period in 2018.

Selected Annual Information

The following annual selected information is prepared in accordance with IFRS.

For the years ended December 31	2019	2018	2017
Total Revenue	$ -	$ -	$ -
Net income (loss) for the year	(19,056)	(13,322)	(19,966)
Net income (loss) per share(1)	(0.00)	(0.00)	(0.00)
Total assets	140,738	173,220	715
Total financial liabilities	60,487	73,913	115,606
Cash dividends declared per share	$ -	$ -	$ -

(1) Net income (loss) per share has been calculated using the weighted average number of common shares during each year. Diluted net income (loss) per share was not calculated as it would be anti-dilutive.

Operating Results for the Year Ended December 31, 2019

General and Administrative Expenses

General office and administration totaled $19,056 as compared to $23,301 in 2018. As the Company has ceased operations, the expected trend is to be minimal general and administrative expenses.

Stock Based Compensation Expense

On November 28, 2018 the Company granted to directors, officers and consultants of the Company incentive stock options to purchase a total of 3,000,000 common shares of the Company at an exercise price of $0.01 per share, expiring November 28, 2023 and vesting immediately. The number of shares reserved for issuance under the plan is 3,206,657 of which, subsequent to this grant, 3,000,000 have been granted. On May 4, 2018, 800,000 options exercisable at $0.05 expired. The Company recorded stock-based compensation expense of $Nil for the year ended December 31, 2019 (2018 – $22,522).

Net Loss

Net loss was $17,056 in 2019 compared to a net loss of $13,322 in 2018.

Summary of Quarterly Results

For the quarters ended	Dec 31/19	Sep 30/19	Jun 30/19	Mar 31/19
Total revenue	$ -	$ -	$ -	$ -
Net income (loss) for the period	(6,582)	(3,133)	(4,783)	(4,558)
Net loss per share (1)	$ (0.00)	$ (0.00)	$ (0.00	$ (0.00)

For the quarters ended	Dec 31/18	Sep 30/18	Jun 30/18	Mar 31/18
Total revenue	$ -	$ -	$ -	$ -
Net income (loss) for the period	(31,679)	(4,635)	(4,590)	27,582
Net loss per share (1)	$ (0.00)	$ (0.00)	$ (0.00)	$ 0.00

(1) Net income (loss) per share has been calculated using the weighted average number of common shares during each period. Diluted income (loss) per share was not calculated as it would be anti-dilutive.

Operating Results for the Three Months Ended December 31, 2019

General and Administrative Expenses

General office and administration totaled $6,582 as opposed to $9,157 for the same period in 2018. The future trend is expected to be consistent with the previous period.

Net Income (Loss)

Net loss for the quarter ended December 31, 2019 totaled $6,582 or $0.00 per share versus a net loss of $31,679 or $0.00 per share for the same period in 2018.

Liquidity

As at December 31, 2019, the Company had current assets of $140,738 (December 31, 2018 - $173,220) to settle current liabilities of $60,487 (December 31, 2018 - $73,913). All of the Company's financial liabilities have contractual maturities of less than one year. Management is continuing to follow up on additional financing opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds continue to fund its operations.

Capital Resources

Management is not aware of any significant commitments or expected fluctuations with respect to its Capital Resources at the date of its interim financial statements.

Off-balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at the date of its financial statements.

Transactions with Related Parties

At December 31, 2019 accounts payable and accrued liabilities included $30,841 (December 31, 2018 - $30,683) payable to officers and directors of the Company. During 2018, $25,000 of accrued payables and accrued liabilities were converted to shares at a price of $0.01 per share.

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the years ended December 31, 2019 and 2018 were as follows:

	2019	**2018**
Salaries and benefits	$ -	$ -
Share-based compensation	-	18,768
Total	$ -	$ 18,768

Disclosure of Management Compensation

The Company does not have any standard compensation agreements with directors or officers as of the date of this report.

Critical Accounting Estimates

The preparation of the accompanying consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

Financial Instruments

IFRS 9 - Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There was no impact on the adoption of IFRS 9 to the comparative year ended December 31, 2018.

All of the Company's financial assets and liabilities are and measured at amortized cost.

Financial instruments measured at amortized cost are initially recognized at fair value, plus adjustments for transaction costs, and then subsequently measured at amortized cost using the effective interest rate method, with gains and losses recorded as a charge against earnings.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

The following table summarizes the classification of the Company’s financial assets and liabilities under IFRS 9 and IAS 39:

	IFRS 9	IAS 39
Financial assets:		
Cash	Amortized cost	Amortized cost
Financial liabilities:		
Amounts payable and other liabilities	Amortized cost	Amortized cost
Deposit	Amortized cost	Amortized cost

Risks and Uncertainties

Risk Management

The success of Cardinal is dependent upon its ability to assess and manage all forms of risk that affect its operations. Cardinal is exposed to many factors that could adversely affect its business, financial conditions or operating results. Developing policies and procedures to identify risk and the implementation of appropriate risk management policies and procedures is the responsibility of senior management and the Board of Directors. The Board directly, or through its committees, reviews and approves these policies and procedures, and monitors their compliance with them through ongoing reporting requirements. A description of the Company's most prominent risks follows.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at December 31, 2019, the Company had current assets of $140,738 (December 31, 2018 - $173,220) to settle current liabilities of $60,487 (December 31, 2018 - $73,913). All of the Company's financial liabilities have contractual maturities of less than one year. Management is continuing to follow up on additional financing opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds continue to fund its operations.

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution.

Other Data

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

Share Data

Outstanding Shares

Common Shares 32,056,579 as at December 31, 2018, December 31, 2019 and April 29, 2020.

Outstanding Options

As at December 31, 2019 and April 29, 2020 the Company had issued 3,000,000 stock options at an exercise price of $0.01 per share, expiring November 28, 2023 and vesting immediately.

Forward-Looking Information

These materials include certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Other than statement of historical fact, all statements in this material, including, without limitation, statements regarding disclosure of contingent liabilities at the date of the consolidated financial statements and financial statement items subject to significant management judgment include revenue recognition; loan impairment and losses; the valuation of accounts receivable, the valuation of bridge loans and development and rental properties, future income tax assets, estimated asset retirement obligations, and future plans and objectives of the Company, are forward–looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of these materials. Important factors that could cause actual results to differ materially from the Company's expectations include, without limitation, the level of bridge loans completed, the nature and credit quality of the collateral security, estimated asset retirement obligations, as well as those factors discussed in the Company's documents filed from time to time with the TSX Venture Exchange, Canadian securities regulators and other regulatory authorities. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.

Schedule "E"
MindHealth Audited Financial Statements for the period from May 21, 2020 to October 31, 2020

MindHealth Biomed Corp.

Consolidated Financial Statements

Period from May 21, 2020 (date of incorporation) to October 31, 2020

Expressed in Canadian Dollars

Independent Auditor's Report

To the Shareholders of MindHealth Biomed Corp.:

Opinion

We have audited the consolidated financial statements of MindHealth Biomed Corp. and its subsidiary (the "Company"), which comprise the consolidated statement of financial position as at October 31, 2020, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from May 21, 2020 (date of incorporation) to October 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2020, and its consolidated financial performance and its consolidated cash flows for the period from May 21, 2020 to October 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Toronto, Ontario
December 4 2020

Chartered Professional Accountants
Licensed Public Accountants

MindHealth Biomed Corp.
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	Note		October 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	5	$	3,792,258
Other receivables			60,140
Prepaids			47,181
Total current assets			3,899,579
Non-current assets			
Capital assets	6		258,089
Total non-current assets			258,089
TOTAL ASSETS		**$**	**4,157,668**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	$	113,386
Due to related parties	12		68,881
Current portion of lease liabilities	11		2,112
Total current liabilities			184,379
Non-current liabilities			
Lease liabilities	11		53,506
Total non-current liabilities			53,506
TOTAL LIABILITIES			**237,885**
SHAREHOLDERS' EQUITY			
Share capital	8		4,438,218
Shares to be issued	8		12,500
Foreign currency translation reserve			6,693
Deficit			(537,628)
TOTAL SHAREHOLDERS' EQUITY			**3,919,783**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**4,157,668**

Commitments (Note 13)
Subsequent events (Note 16)

Approved on behalf of the Board.

Jody Aufrichtig (signed)
Chief Executive Officer & Director

Gavin Basserabie (signed)
Director

The accompanying notes are an integral part of the consolidated financial statements.

MindHealth Biomed Corp.
Consolidated Statement of Net Loss and Comprehensive Loss
For the period from May 21, 2020 (date of incorporation) to October 31, 2020
(Expressed in Canadian Dollars)

	Note		For the period from May 21, 2020 (date of incorporation) to October 31, 2020
Expenses			
Research & development		$	5,116
General and administrative			17,351
Professional fees and consulting fees	12		510,670
Depreciation	6		1,756
			534,893
Loss before other income (expenses)			**(534,893)**
Other income (expenses)			
Accretion expense	11		(565)
Foreign exchange loss			(2,170)
NET LOSS			**(537,628)**
Other comprehensive income (loss)			
Foreign exchange gain on translation			6,693
COMPREHENSIVE LOSS		**$**	**(530,935)**
Loss per share - basic and diluted	15		**(0.02)**
Weighted average number of outstanding shares - basic and diluted			**33,496,506**

The accompanying notes are an integral part of the consolidated financial statements.

MindHealth Biomed Corp.
Consolidated Statement of Changes in Shareholders’ Equity
For the period from May 21, 2020 (date of incorporation) to October 31, 2020
(Expressed in Canadian Dollars)

	Note	Number of shares	Share capital	Shares to be issued	Foreign currency translation reserve	Deficit	Total shareholders' equity
			$	$	$	$	$
Founder's share	8	1	-	-	-	-	-
Acquisition of MindHealth (Pty) Ltd.	9	24,000,000	390	-	-	-	390
Shares issued	8	19,166,884	4,791,721	-	-	-	4,791,721
Share issuance costs	8	-	(353,893)	-	-	-	(353,893)
Shares to be issued	8	-	-	12,500	-	-	12,500
Other comprehensive income (loss)		-	-	-	6,693	-	6,693
Net loss		-	-	-	-	(537,628)	(537,628)
Balance, October 31, 2020		**43,166,885**	**$ 4,438,218**	**$ 12,500**	**$ 6,693**	**$ (537,628)**	**$ 3,919,783**

n

The accompanying notes are an integral part of the consolidated financial statements.

MindHealth Biomed Corp.
Consolidated Statement of Cash Flows
For the period from May 21, 2020 (date of incorporation) to October 31, 2020
(Expressed in Canadian Dollars)

	Note		May 21, 2020 (date of incorporation) to October 31, 2020
Net loss		$	(537,628)
Non-cash adjustments:			
Depreciation of capital assets	6		1,756
Foreign exchange			6,772
Accretion expense	11		565
Changes in non-cash working capital:			
Other receivables			(59,750)
Prepaids and deposits			(47,181)
Accounts payable and accrued liabilities			113,386
Cash provided (used) by operating activities			**(522,080)**
Additions to capital assets	6		(203,445)
Cash provided (used) by investing activities			**(203,445)**
Repayment of lease obligations	11		(1,426)
Proceeds from share issuance	8		4,791,721
Share issuance costs	8		(353,893)
Proceeds from shares to be issued	8		12,500
Due to related party			68,881
Cash provided (used) by financing activities			**4,517,783**
Change in cash			3,792,258
Cash, beginning of period			-
Cash and cash equivalents, end of period		**$**	**3,792,258**

The accompanying notes are an integral part of the consolidated financial statements.

1. Nature of operations

MindHealth Biomed Corp. ("MHBC") was incorporated on May 21, 2020 under the provisions of the Business Corporations Act (British Columbia). The principal activities of MHBC and its subsidiary (together the "Company") are the cultivation, processing, and export of medical grade psilocybin mushrooms products. MHBC is domiciled in Ontario, Canada and its head office is located at 2010-200 Bay Street, Toronto, Ontario.

MHBC acquired all of the issued and outstanding share capital of its sole subsidiary, Mind Health (Pty) Ltd., in exchange for the issuance of common shares in the capital of MHBC on May 22, 2020. The transaction was accounted for as a common control transaction (Note 9).

On September 11, 2020, MHBC entered into a binding definitive agreement with Cardinal (the "Definitive Agreement") to complete a business combination transaction per the letter of intent dated August 11, 2020. Under the terms of the Definitive Agreement, the reverse takeover (the "Reverse Takeover") will be completed by way of a three-cornered amalgamation among Cardinal, MHBC, and 1264216 B.C. Ltd., a wholly owned subsidiary of Cardinal, incorporated for the purposes of completing the Reverse Takeover under the Business Corporations Act (British Columbia). Prior to the completion of the Reverse Takeover, Cardinal intends to consolidate its issued and outstanding common shares on the basis of one post-consolidation Cardinal Share for every 19.24 pre-consolidation Cardinal Shares (the "Consolidation"). The shareholders of the issued and outstanding common shares of MHBC will receive 1.0649 common shares of Cardinal (the "Resulting Issuer", after giving effect to the Reverse Takeover) for each MHBC Share held if the Consolidation is completed prior to the closing of the Reverse Takeover. If the Consolidation is not completed prior to the closing of the Reverse Takeover, 20.4904 Resulting Issuer Shares will be issued for each MHBC share held.

During the period, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the Coronavirus outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company does not anticipate that this outbreak will impact its business or financial condition.

2. Basis of presentation

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue on December 4, 2020 by the directors of the Company.

Basis of measurement

These consolidated financial statements have been prepared on an accrual basis, are based on historical costs and are presented in Canadian dollars, unless otherwise noted.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is also MHBC's functional currency. The functional currency of MHBC's sole subsidiary, Mind Health (Pty) Ltd., is the Lesotho Loti ("LSL").

3. Significant accounting policies

Basis of consolidation

These consolidated financial statements incorporate the accounts of MHBC and its subsidiary. A subsidiary is an entity controlled by MHBC and results are consolidated into the financial results of the Company from the effective date of control up to the effective date of loss of control.

Control exists when an investor is exposed, or has rights, to variable returns from the involvement with the investee and has liability to affect those returns through its power over the investee. Where the Company's interest is less than 100%, the Company recognizes non-controlling interests.

The sole subsidiary of MHBC that has been consolidated is as follows:

Name of Entity	Place of Incorporation	% Ownership	Accounting Method
Mind Health (Pty) Ltd.	Lesotho	100%	Consolidation

Inter-company balances are eliminated on consolidation.

Common control transactions

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same parties, both before and after the business combination, and control is not transitory. Business combinations involving entities under common control are outside the scope of IFRS 3 Business Combinations. IFRS provides no guidance on the accounting for these types of transactions. As a result, the Company was required to develop an accounting policy. The three most common methods utilized are the acquisition method, the predecessor values since inception method, and the predecessor values from the date of transaction method. The Company determined that the predecessor values since inception method to account for common control transactions is the most appropriate. This method requires the consolidated financial statements to be prepared using the predecessor carrying values without an adjustment to fair value. The consideration given is measured based on the aggregate carrying value of the assets and liabilities acquired. Transaction costs associated with common control transactions are recognized as an expense in the period.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period. The Company did not issue any convertible securities during the period from May 21, 2020 (date of incorporation) to October 31, 2020.

IFRS 9 - Financial instruments

The Company recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognized at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial instruments that are not classified as fair value through profit or loss.

The classification and measurement approach for financial assets reflect the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Company identifies changes in its business model in managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

A financial asset shall be measured at FVTPL unless it is measured at amortized cost or at FVOCI.

Financial liabilities are classified and measured based on two categories - amortized cost or FVTPL:

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Classification and measurement of the financial instruments is as follows:

Financial instrument	Classification
Cash	Amortized cost
Other receivables (excluding HST and VAT)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Under IFRS 9, the Company applies a forward-looking expected credit loss (“ECL”) model, at each balance sheet date, to financial assets measured at amortized cost or those measured at FVOCI, except for investments in equity instruments.

The three-stage approach to recognizing ECL under IFRS 9 is intended to reflect the increase in credit risk of a financial instrument and are:

- Stage 1 is comprised of all financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. The Company recognizes an impairment loss for those financial instruments at an amount equal to the twelve-month expected credit loss following the balance sheet date.
- Stage 2 is comprised of all financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of a credit loss event. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.
- Stage 3 is comprised of all financial instruments that have objective evidence of impairment at the reporting date. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.

Impairment losses are recorded in the consolidated statement of net loss and comprehensive loss with the carrying amount of the financial assets reduced through the use of impairment allowance accounts.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was initially recognized.

Foreign currency translation

The consolidated financial statements are presented in Canadian Dollars which is MHBC’s functional currency. The functional currency of all other entities of the Company is the Lesotho Loti.

In each individual entity, a foreign currency transaction is initially recorded in the functional currency of the entity, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at the year-end exchange rate. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired, and liabilities incurred.

The resulting exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are included in profit or loss in the period in which they arise.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the subsidiary are translated into Canadian Dollars at the exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average rates for the period. Exchange differences arising are recognized in foreign currency translation reserve.

Income taxes

Income taxes are comprised of current and deferred balances and are recognized in income except to the extent that the taxes relate to a business combination, or to items recognized directly in equity or in comprehensive loss. Current and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or different period, to other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income taxes are calculated by measuring the temporary differences arising between the tax basis of an asset or liability and its carrying value. Deferred income tax assets or liabilities are calculated using enacted or substantively enacted income tax rates expected to apply in the period in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of loss and comprehensive loss in the period that substantive enactment occurs.

Recognition of a deferred tax asset for unused tax losses, tax credits and deductible temporary differences is recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Share capital

Financial instruments issued by MHBC are classified as shareholders' equity only to the extent that they do not meet the definition of a financial asset or financial liability. MHBC's common shares are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from shareholders' equity.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments. Management has determined that the Company has only one operating segment.

Capital assets

Capital assets are recognized as an asset when:

- it is probable that an associated future economic benefit will flow to the Company; and
- the cost can be measured reliably

Capital assets are measured at cost less accumulated depreciation and impairment losses. Cost includes costs incurred initially to acquire or construct a capital asset and costs incurred subsequently to add to, replace part of or service it. If a replacement cost is recognized in the carrying amount of a capital asset, the carrying amount of the replaced part is derecognized.

Capital assets are depreciated on a straight-line basis over their expected useful lives to their estimated residual value. Their useful lives have been assessed as follows:

Asset	Method	Rate
Computer equipment	Straight-line	20 months
Right-of-use assets	Straight-line	Over lease term – 19 years
Buildings	Straight-line	10 years
Equipment	Straight-line	3 years
Furniture & fixtures	Straight-line	3 years
Bulk infrastructure	Straight-line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The gain or loss arising from the derecognition of a capital asset is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition of a capital asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

All costs that have been capitalized related to buildings have not been depreciated as they are not yet available-for-use.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and, when applicable, short-term, highly liquid deposits which are either cashable or with original maturities of less than three months at the date of their acquisition.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or entities. A transaction is considered to be a related party transaction when there is transfer of resources or obligations between related parties.

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets (which include capital assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of net loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed to profit or loss if there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

IFRS 16 - Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low values assets. For these leases, the Company recognizes the leases as an operating expense on a straight-line basis over the term of the lease.

The Company presents right-of-use assets in "Capital assets" and lease liabilities in "Lease liabilities" in the consolidated statement of financial position.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired.

4. Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Actual results may differ from these estimates. The Company's management reviews these estimates, judgments, and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The following are deemed to be critical accounting policies by management for the period from May 21, 2020 (date of incorporation) to October 31, 2020 as these require a high level of subjectivity and judgement and could have a material impact on MHBC's consolidated financial statements.

Common control transaction

During the acquisition of Mind Health (Pty) Ltd., judgement was initially required to determine if the acquisition represented a business combination or an asset purchase. Management also used judgement to determine that since MHBC and Mind Health (Pty) Ltd. were controlled by the same parties before and after the transaction, the business combination is considered a common control business combination. Thus, acquired net assets were recorded at their predecessor carrying values rather than at fair value.

Term and incremental borrowing rate of lease

The calculation of lease liabilities and associated interest expense is dependent on estimates of how many lease renewal options will be exercised, as well as the determination of the Company's incremental borrowing rate. These are determined through the exercise of judgment and are dependent upon estimates that take into account factors such as economic and market conditions, operational plans and anticipated changes in laws.

Deferred tax assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Management routinely plans future activities including forecasting future cash flows and forming judgements collectively with directors of the Company.

(Expressed in Canadian Dollars)

5. Cash and cash equivalents

Cash and cash equivalents include the following amounts:

- an amount of $5,000 CAD and $55,000 USD held in trust by a brokerage firm as security for foreign currency exchanges
- an amount of $3,714,905 unrestricted cash held with chartered banks

6. Capital assets

	Computer equipment	Buildings	Right-of-use assets	Production Equipment	Furniture	Bulk Infrastructure	Total
	$	$	$	$	$	$	$
Cost:							
Additions	1,711	179,617	56,460	4,019	2,595	15,503	259,905
At October 31, 2020	1,711	179,617	56,460	4,019	2,595	15,503	259,905
Depreciation:							
Charge for the period	211	146	1,197	133	69	-	1,756
At October 31, 2020	211	146	1,197	133	69	-	1,756
Foreign exchange differences	(1)	(52)		(1)	(1)	(5)	(60)
Carrying amount:							
At October 31, 2020	1,499	179,419	55,263	3,885	2,525	15,498	258,089

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following amounts:

	October 31, 2020
	$
Trade payables	27,179
Acccued liabilities	86,207
Total	113,386

8. Share capital

Authorized share capital

Unlimited number of voting common shares without par value.

(Expressed in Canadian Dollars)

Issued and outstanding

	Common Shares	
	Number	**Amount ($)**
Issuance of shares on incorporation (May 21, 2020)	1	-
Issuance of shares on purchase of Mind Health (Pty) Ltd.	24,000,000	390
Issuance of shares in private placements	19,166,884	4,791,721
Share issuance costs		(353,893)
Balance as at October 31, 2020	43,166,885	4,438,218

Common shares

On May 21, 2020, the Company issued 1 common share on incorporation for $0.01

On May 22, 2020, the Company issued 24,000,000 common shares in connection with the share exchange agreement with Mind Health (Pty) Ltd. (Note 9).

On June 30, 2020, the Company issued 6,340,000 common shares with a subscription price of $0.25 per share for gross proceeds of $1,585,000.

On August 31, 2020, the Company issued 12,826,884 common shares with a subscription price of $0.25 per share for gross proceeds of $3,206,721.

In relation to the issuances of shares above, the Company incurred share issuance costs of $353,893 paid in cash for the period from May 21, 2020 (date of incorporation) to October 31, 2020.

In October 2020, $12,500 was received by the Company in relation to a private placement which was still underway as of October 31, 2020. This amount has been recorded as shares to be issued in shareholders' equity section of the consolidated statement of financial position.

9. Acquisition

Acquisition of Mind Health (Pty) Ltd.

On May 22, 2020, MHBC entered into a share exchange agreement to issue 24,000,000 common shares to acquire all the issued and outstanding shares of Mind Health (Pty) Ltd. from its previous shareholders. The acquisition was considered to be a business combination between entities under common control. As a result, assets acquired were recorded at their predecessor carrying values rather than at fair value. The issuance of 24,000,000 shares has been measured based on the net assets acquired through Mind Health (Pty) Ltd. being $390 (5,000 LSL).

10. Segmented information

For the period from May 21, 2020 (date of incorporation) to October 31, 2020, management determined that the Company operated only in one segment: cultivation, production, and export of medical grade psilocybin mushrooms and products.

The following is an analysis of non-current assets by geographical location:

(Expressed in Canadian Dollars)

Asset location	**October 31, 2020**
Canada	-
Lesotho	$ 258,089
Non-current segment assets	$ 258,089

11. Leases

The Company has a lease for land that was entered into with a related party. The lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability. The land will be used to erect manufacturing and processing facilities. The initial term of the lease is nine years beginning June 1, 2020 and ending May 21, 2029. Thereafter, the Company has the option to renew the lease for a further ten-year period for a maximum of five times total. The incremental borrowing rate and term length used in the calculation of the right-of-use asset and discounted lease liability amounts are 2.5% and 19 years, respectively.

Lease liabilities

The continuity of lease liability is as follows:

	Lease liability ($)
Balance, May 21, 2020	-
Additions	56,460
Accretion expense	565
Lease payments	(1,426)
Foreign exchange	19
Balance, October 31, 2020	55,618
Less: current portion	2,112
Non-current portion of lease liability	53,506

The following table presents the future undiscounted payments associated with the sole lease liability as of October 31, 2020 for the next five years and thereafter:

2021	$	3,424
2022		3,424
2023		3,424
2024		3,444
2025		3,493
Thereafter		53,824
	$	71,033

(Expressed in Canadian Dollars)

12. Transactions with related parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

The Company incurred the following transactions with related parties during the period from May 21, 2020 (incorporation date) to October 31, 2020:

Transaction type	**Related party transactions**	**Balance receivable (payable) as at October 31, 2020**
Consulting fees - key management personnel	$ 34,419	$ -
Management fees	207,100	-
Accounting fees	46,796	-
Working capital advances	-	(68,881)
Total	$ 288,315	$ (68,881)

13. Commitments

For the period from May 21, 2020 (date of incorporation) to October 31, 2020, the Company was committed to an advisory agreement, whereby the Company is required to pay the consultant in the amount of $243,395 in cash and issue $243,395 in warrants at an exercise price of $0.30 per warrant. Such warrants have not yet been issued as at October 31, 2020.

Subsequent to the period-end, the Company is required to pay an additional $134,492 in cash and issue $134,492 in warrants at an exercise price of $0.30 per warrant. Following the additional payments, the aforementioned advisory agreement has been terminated.

14. Financial instruments and financial risk management

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. MHBC's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash held with banks and other receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

(Expressed in Canadian Dollars)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at October 31, 2020, the Company's financial liabilities consist of account payable, accrued liabilities and amounts due to related parties which all have contractual maturity dates within one year.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

Based on the Company's working capital position at October 31, 2020, management regards liquidity risk to be low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the Lesotho Loti. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

As at October 31, 2020, the Company is exposed to currency risk through the following financial assets and liabilities denominated in Lesotho Loti:

	October 31, 2020
	LSL
Cash	855,571
Other receivables & prepaids	5,502
Accounts payable and other liabilities	336,848
Due to related parties	841,397

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates.

Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

Management reviews its capital management approach on an ongoing basis. The Company considers its shareholders' equity balance as capital.

15. Earnings (loss) per share

The calculation of earnings (loss) per share for the period from May 21, 2020 (date of incorporation) to October 31, 2020 was based on the net loss of $(537,628) and a weighted average number of common shares outstanding of 33,496,506 calculated as follows:

		For the period May 21, 2020 (date of incorporation) to October 31, 2020
Basic and diluted loss per share:		
Net loss		(537,628)
Average number of common shares outstanding		33,496,506
Loss per share - basic and diluted	$	(0.02)

16. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

Net income (loss) before recovery of income taxes	$ (537,628)
Expected income tax (recovery) expense	$ (142,470)
Difference in foreign tax rates	7,860
Non-deductible expenses	31,860
Share issuance cost booked through equity	(93,780)
Change in tax benefits not recognized	196,530
Income tax (recovery) expense	$ -

Deferred tax

The following table summarizes the components of deferred tax:

Deferred tax assets	5,520
Lease liability	
Deferred tax liabilities	
ROU asset	(5,520)
Net deferred tax asset	$ -

(Expressed in Canadian Dollars)

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Property, plant and equipment	580
Share issuance costs - 20(1)(e)	328,300
Non-capital losses carried forward - Canada	395,370
Non-capital losses carried forward - Lesotho	46,740
Lease liability	400
	$ 771,390

The Canadian non-capital loss carry forwards expire as noted in the table below.

Share issuance and financing costs will be fully amortized in 2025.

The Company's Canadian non-capital income tax losses expire as follows:

Expiry	Amount
2040	395,370
TOTAL	$ 395,370

The Company's Lesotho non-capital income tax losses show as follows and can be carried forward indefinitely.

Expiry	Amount
No expiry	46,740
TOTAL	$ 46,740

17. Subsequent events

On December 2, 2020, MHBC entered into an agreement to acquire 100% of the interest in Psyence Therapeutics Corp. ("Psyence") by issuing 18,000,000 MHBC shares, 1,800,000 MHBC options and 1,777,777 MHBC warrants in exchange for the outstanding 22,700,000 Psyence shares, contingent 2,270,000 Psyence options and contingent 2,200,000 Psyence warrants pursuant to the terms of a share exchange agreement.

On December 4, 2020, MHBC completed a private placement of 6,756,113 common shares for gross proceeds of $1,689,028 at $0.25 per share.

Schedule "F"
MindHealth MD&A for the period from May 21, 2020 to October 31, 2020

MINDHEALTH BIOMED CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the period ended
October 31, 2020

This Management's Discussion and Analysis ("MD&A") of MindHealth Biomed Corp. (the "Company"), prepared as of December [•], 2020, should be read in conjunction with the financial statements and the notes thereto for the period ended October 31, 2020 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

DESCRIPTION OF BUSINESS

MindHealth Biomed Corp. (the "**Company**") was incorporated under the *Business Corporations Act* (British Columbia) on May 21, 2020. It has a wholly-owned subsidiary, Mind Health (Pty) Ltd. ("**MindHealth Lesotho**"), a corporation incorporated under the laws of the Kingdom of Lesotho on March 13, 2020.

MindHealth is a life sciences biotechnology company providing science forward natural products for psychedelic therapy, experience and wellness. The mission of the Company is to become the leading supplier of branded naturally derived medicinal-grade psilocybin mushroom products to the global legal psychedelic research, medical and nutraceutical industries. MindHealth intends to capitalize on significantly lower cost production in Africa to distribute and supply internationally certified medical grade psilocybin mushroom products to legal export markets, to differentiate itself through best of class cultivation, processing, distribution, brand and retail services. MindHealth currently possesses a cultivation, processing and export license for psilocybin mushrooms in Lesotho, in Southern Africa. MindHealth is led by members of the executive team who previously lead Canopy Growth Africa. Canopy Growth Africa was the African operating entity of Canopy Growth Corporation, a Canadian cannabis company listed on the Toronto Stock Exchange and the Nasdaq Global Select Market.

The Company's registered office is located at 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

SELECTED FINANCIAL INFORMATION

The following is a summary of the Company's financial results:

Statement of Loss	**Period from incorporation on May 21, 2020 to October 31, 2020 (Unaudited) ($)**
Total revenue	Nil
Expenses	(534,893)
Other expense	(2,735)
Net loss	(537,628)
Loss per share - basic and diluted	(0.02) [1]

Note:

(1) Based on the weighted average of 33,496,506 common shares issued and outstanding for the period ended October 31, 2020.

Statement of Financial Position	**As at**

	October 31, 2020 (Unaudited) ($)
Current assets	3,899,579
Non-current assets	258,089
Total Assets	**4,157,668**
Current liabilities	184,379
Non-current liabilities	53,506
Total Liabilities	237,885
Shareholders' Equity	3,919,783
Total Liabilities and Shareholders' Equity	**4,157,668**

No cash dividends were declared for the period ending October 31, 2020.

RESULTS OF OPERATIONS

Period from the date of incorporation on May 21, 2020 to October 31, 2020

The Company reported no revenues during the period from the date of incorporation on March 21, 2020 to October 31, 2020, while the net loss for the period was $537,628.

Professional fees and consulting fees for the period totalled $510,670. Of this amount, $207,100 and $34,419 relates to a management service agreement with a related party and consulting fees with key management personnel, respectively.

General and administrative expenses of $17,351 were incurred mainly due to IT, recruitment, filing and training costs.

The depreciation charge for the period was $1,756 in total. Of this amount, $1,197 was charged for right-of-use assets and $559 in aggregate was charged for computer equipment, buildings, production equipment and furniture.

The accretion expense of $565 relates to the interest expense on the right-of-use asset for the sub-lease agreement mentioned below.

Foreign exchange loss of $2,170 arose from the exchange of transactions in Lesotho Loti and US Dollars. The functional currency Mind Health Lesotho is the Loti and the symbol used is “LSL”. For the purpose of presenting these consolidated financial statements, the assets and liabilities of this subsidiary are translated into Canadian Dollars at the exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average rates for the period. The exchange differences of $6,693 were recognized in other comprehensive income and accumulated in equity.

Mind Health Lesotho entered into a sub-lease agreement with Highlands Pure Lesotho, a related party, for a portion of land situated at a cultivation site in Kolojane in the Berea District of Lesotho. In addition to the leased portion of land, Mind Health Lesotho shall be entitled to use the essential infrastructure and related services available at the cultivation site. The monthly rental, sewerage and drainage is LSL 3,485 per month. The initial term of the lease is approximately nine years commencing 1 June, 2020 and ending May 21, 2029. Thereafter, the Company has the option to renew the lease for a further ten-year period for a maximum of five times total. The lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability of $55,263 and $55,618 respectively.

With possession of a license to import, cultivate, produce, manufacture and export psilocybin mushrooms in Lesotho, Southern Africa, Mind Health Lesotho has paid $200,850 for buildings, a laboratory, bulk infrastructure and production equipment as it commenced the build-out of a fully integrated cultivation, processing and product manufacturing facility to international standards at its licensed facility on the sub-let portion of land mentioned above. Phase 1 of the facility is expected to be completed by the end of the current year. Construction of Phase 2 is planned to commence as market demands dictate the supply of product required. No external factors such as commodity prices, land use or political or environment issues have impacted the project to date. Project costs linked to commodity prices and foreign currency are not expected to have a significant effect on future prices of the facility.

During the period from the date of incorporation on May 21, 2020 to October 31, 2020, the Company completed the following equity financings:

(i) On May 21, 2020, the Company issued 1 common share on incorporation for $0.01;
(ii) On May 22, 2020, the Company entered into a share exchange agreement to issue 24,000,000 common shares to acquire all the issued and outstanding shares of Mind Health Lesotho from its previous shareholders. The acquisition was considered to be a business combination between entities under common control. As a result, assets acquired were recorded at their predecessor carrying values rather than at fair value. The issuance of 24,000,000 shares has been measured based on the net assets acquired through Mind Health Lesotho being $390 (5,000 LSL).
(iii) On June 30, 2020, the Company issued 6,340,000 common shares with a subscription price of $0.25 per share for gross proceeds of $1,585,000.
(iv) On August 31, 2020, the Company issued 12,826,884 common shares with a subscription price of $0.25 per share for gross proceeds of $3,206,721.

In relation to the issuances of shares above, the Company incurred share issuance costs of $353,893 paid in cash for the period from May 21, 2020 (date of incorporation) to October 31, 2020.

In October 2020, $12,500 was received by the Company in relation to a private placement which was still underway as of October 31, 2020. This amount has been recorded as shares to be issued in shareholders' equity section of the consolidated statement of financial position.

Total Common Shares issued and outstanding as at October 31, 2020 was 43,166,885 for net proceeds of $4,438,218, including issuance costs of $353,893.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2020, the Company had a working capital surplus of $3,715,200 comprised of cash of $3,792,258, other receivables of $60,140 and prepaids of $47,181 less accounts payable and accrued liabilities of $113,386, due to related parties of $68,881 and the current portion of lease liabilities of $2,112.

Accounts payable and accrued liabilities have contractual maturity dates within one year, lease liabilities which have contractual maturity dates spanning 9 years, and an amount owing to a related party has a contractual maturity date within one year.

There are no provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment nor are there circumstances that could impair the Company’s ability to undertake transactions considered essential to operations.

On December 4, 2020 the Company completed a private placement of $1,689,029 of common shares as $0.25 per share.

The Company estimates that the funds required to carry out its business objectives during the twelve months from the submission of this listing statement is $3,548,219. This consists of $176,000 of spend on capital assets and $3,372,219 spend on operating expenditure. After consideration of the working capital surplus as at October 31, 2020, the private placement closed on December 4, 2020 and the capital required to carry out the business objectives for the following twelve months, the Company anticipates it will have $2,294,510 surplus working capital available. The Company anticipates incurring capital expenditure of $100,000 and $76,000 on the facility at Kolojane in the Berea District of Lesotho and a medically supervised and curated clinic in Lesotho respectively within the next 12 months.

Although the Company does not expect to generate revenues from operations in the near future, it has sufficient surplus working capital and therefore does not currently expect to reply upon the issuing of equity securities for additional funding for the short term.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company’s main source of funding has been the issuance of shares for cash, primarily through private placements. The Company ’s access to future financing is always uncertain and there can be no assurance of continued access to significant equity or debt funding. Based on the Company’s working capital position as at October 31, 2020, management regards liquidity risk to be low.

There are no legal or practical restrictions on the ability of MindHealth Lesotho to transfer funds to the Company, provided Lesotho exchange control requirements are met.

There are no legal or practical restrictions on the ability of MindHealth Lesotho to transfer funds to the Company.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with related parties during the period from May 21, 2020 (incorporation date) to October 31, 2020:

Transaction type		Related party transactions		Balance receivable (payable) as at October 31, 2020
Consulting fees - key management personnel	$	34 419	$	-
Management fees		207 100		-
Accounting fees		46 796		-
Working capital advances		-		(68 881)
Total	$	288 315	$	(68 881)

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The consulting fees of $34,419 quoted above are in relation to services provided by a Company executive.

Management fees of $207,100 relate to a management service agreement with a related party, Highlands Ventures (Pty) Ltd. Jody Aufrichtig, director and CEO the Company, is a director of Highlands Ventures (Pty) Ltd. In terms of the management service agreement, Highlands Ventures (Pty) Ltd manages the design, construction, erection, commissioning, operation and maintenance of the psilocybin cultivation facility as well as the sale of psilocybin mushrooms for a period of 3 years. Highlands Ventures (Pty) Ltd further provides administrative services such financial administration and control, compliance management and business development and strategy.

Accounting fees and prepaid expenses of $46,796 and $6,750 respectively were paid to a related party during the period under review.

Amounts of $55,595 and $13,286 were due to related parties, Highlands Pure Lesotho (Pty) Ltd and Highlands Ventures (Pty) Ltd respectively as at October 31,2020. These amounts are non-interest bearing, unsecured and were repaid in October 2020 (maturity date). Jody Aufrichtig is a director of both these companies.

Changes in Accounting Policies

IFRS 16 *Leases*

IFRS 16 *Leases* applies to annual reporting periods beginning on or after 1 January 2019 and replaces IAS 17 Leases. IFRS 16 eliminates the classification of leases for lessees as either operating or finance leases, as was required by IAS 17, and introduces a single lessee accounting model, where a right-of-use asset together with a lease liability for the future payments is recognised for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Company has a lease for a portion of land that was entered into with a related party, Highlands Pure Lesotho (Pty) Ltd. The lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability. The land will be used to erect manufacturing and processing facilities. The initial term of the lease is nine years beginning June 1, 2020 and ending May 21, 2029. Thereafter, the Company has the option to renew the lease for a further ten year period for a maximum of five times total. The incremental borrowing rate and term length used in the calculation of the right-of-use asset and discounted lease liability amounts are 2.5% and 19 years, respectively.

Lease liabilities

The continuity of lease liability is as follows:

	Lease liability ($)
Balance, May 21, 2020	-
Additions	56 460
Accretion expense	565
Lease payments	(1 426)
Foreign exchange	19
Balance, October 31, 2020	55 618
Less: current portion	2 112
Non-current portion of lease liability	53 506

The following table presents the future undiscounted payments associated with the sole lease liability as of October 31, 2020 for the next five years and thereafter:

2021	$	3 424
2022		3 424
2023		3 424
2024		3 444
2025		3 493
Thereafter		53 824
	$	71 033

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, other receivables, prepaids, accounts payable and accrued liabilities and amounts due to related parties. These financial instruments arise in the normal course of business and are classified and measured at amortized cost.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company does not partake in hedging activities.

The fair values of these financial instruments approximate their carrying values. As required by IFRS 9 *Financial Instruments*, the Company applies a forward-looking expected credit loss ("ECL") model, at each balance sheet date, to financial assets measured at amortized cost to determine whether the asset is impaired. As at October 31, 2020, no such impairment was required.

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash held with banks and other receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Cash consists of bank balances and an amount held in trust by a brokerage firm as security for foreign currency exchanges. Other receivables mainly consists of federal sales tax credits.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at October 31, 2020, the Company's financial liabilities consist of account payable, accrued liabilities and an amount due to a related party which all have contractual maturity dates within one year.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The

Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

Based on the Company's working capital position at October 31, 2020, management regards liquidity risk to be low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the Lesotho Loti. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

As at October 31, 2020, the Company is exposed to currency risk through the following financial assets and liabilities denominated in Lesotho Loti:

	October 31, 2020
	LSL
Cash	855 571
Other receivables & prepaids	5 502
Accounts payable and other liabilities	336 848
Due to related parties	841 397

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates. Management therefore regards liquidity risk to be low.

Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. The Company considers its shareholders' equity balance as capital.

Schedule "G"
Pro Forma Financial Statements for the Company as at October 31,2020

Cardinal Capital Partners Inc.

Pro Forma Consolidated Financial Statements

As at October 31, 2020

(Unaudited – In Canadian Dollars unless otherwise specified)

Cardinal Capital Partners Inc.
Pro Forma Consolidated Statement of Financial Position
October 31, 2020
Unaudited - in Canadian Dollars unless otherwise specified

	MindHealth Biomed Corp.	Cardinal Capital Partners Inc.	Psyence Therapeutics Corp.	Notes	Adjustments	Notes	Acquisition Formula	Resulting Issuer, October 31, 2020
ASSETS								
CURRENT								
Cash	8 124 874	115 651		3(c)	4 511 160	3(b)	30 000	12 781 684
Other receivables	2 682	-	227					2 909
Prepaid expenses	47 181	-		3(a)	(30 000)			17 181
	8 174 737	115 651	227		4 481 160		30 000	12 801 775
NON-CURRENT								
Capital assets	258 089	-						258 089
Goodwill and other intangible assets						3(d)	5 105 925	5 105 925
TOTAL ASSETS	**8 432 826**	**115 651**	**227**		**4 481 160**		**5 135 925**	**18 165 788**
LIABILITIES								
CURRENT								
Accounts payable and accrued liabilities	55 928	54 930	34 500					145 359
Current portion of lease liabilities	2 112							2 112
Due to related party	68 881		9 350					78 231
Deposit	-	30 000		3(a)	(30 000)			-
	126 921	84 930	43 850		(30 000)		-	225 702
NON-CURRENT								
Lease liabilities	53 506	-						53 506
TOTAL LIABILITIES	180 427	84 930	43 850		(30 000)		-	279 208

SHAREHOLDERS' EQUITY

Share capital	4 438 218	8 328 310	227	3(c)	4 511 160	3(b)	(8 328 537)	
Fair value of Cardinal shares						3(b)	897 328	
Issuance of shares to acquire Psyence						3(d)	4 500 000	
Warrants reserve - Psyence & MindHealth								14 346 706
Shares to be issued	4 345 116							4 345 116
Contributed surplus		15 391 132				3(b)	(15 391 132)	-
Stock options reserve								
Psyence Options							315 206	
MindHealth Options								315 206
Warrants reserve								
Psyence Warrants						3(d)	247 096	
MindHealth Warrants				3(e)	925 505			1 172 601
Foreign currency translation reserve	6 693	-	-					6 693
Accumulated deficit	(537 628)	(23 688 721)	(43 850)	3(e)	(925 505)	3(b)	23 688 721	
							43 850	
						3(b)	(836 608)	(2 299 741)
TOTAL SHAREHOLDERS' EQUITY	8 252 399	30 720	(43 623)		4 511 160		5 135 925	17 886 580
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**8 432 826**	**115 651**	**227**		**4 481 160**		**5 135 925**	**18 165 788**

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position of Cardinal Capital Partners Inc. ("Cardinal" or "the Company") has been prepared by management to reflect the amalgamation of MindHealth Biomed Corp. ("MindHealth") and 1264216 B.C. Ltd. ("Acquisitionco") by way of a "three-cornered amalgamation" (the "Transaction") with Cardinal after giving effect to the proposed transaction as described in Notes 2 and 3.

The unaudited pro forma consolidated statement of financial position has been prepared for inclusion in the Filing Statement of the Company in relation to the Transaction mentioned above. Completion of the Transaction is subject to customary closing conditions, including all necessary approvals and consents and all applicable Canadian Securities Exchange approvals. In the opinion of the Company's management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for fair value presentation of the transaction contemplated in the Agreement.

In connection with the Transaction, Cardinal intends to continue its domicile in the Province of Ontario.

2. Pro forma assumptions

The unaudited pro forma consolidated statement of financial position is prepared as if the transaction described below occurred on October 31, 2020.

The Transaction is subject to the satisfaction of all closing conditions and receipt of regulatory and shareholder approvals.

On October 20, 2020, MindHealth entered into a non-binding agreement with Psyence Therapeutics Corp. ("Psyence"). MindHealth intends to acquire 100% of the outstanding securities of Psyence in exchange for MindHealth Securities at a rate of exchange equal to a Share Exchange Ratio agreed upon by all parties. This acquisition is anticipated to occur prior to the date of the Transaction described in these unaudited proforma financial statements. Consequently, the unaudited pro forma statement of financial position of Psyence is included in the unaudited pro forma consolidated statement of financial position of the Company.

The unaudited pro forma consolidated statement of financial position of Cardinal should be read in conjunction with the October 31, 2020 audited financial statements of MindHealth, the October 31, 2020 audited financial statements of Psyence, and the unaudited September 30, 2020 interim financial statements of Cardinal.

The unaudited pro forma consolidated statement of financial position of the Company has been compiled from and includes:

a) the audited interim statement of financial position of MindHealth as at October 31, 2020
b) the unaudited interim statement of financial position of Cardinal as at September 30, 2020
c) the audited interim statement of financial position of Psyence as at October 31, 2020

For presentation purposes, the Transaction is assumed to have occurred at October 31, 2020. The unaudited pro forma consolidated statement of financial position is not intended to reflect the financial position of the Company which would have actually resulted had the proposed Transaction been effected on the date indicated. Actual amounts recorded upon consummation of the Agreement will differ from those recorded in the unaudited pro forma consolidated statement of financial position. No adjustments have been made to reflect the additional costs or cost savings that could result from the combination of the operations of Cardinal and MindHealth.

Principal terms of the transaction

The Transaction will involve the amalgamation of MindHealth with Acquisitionco, a wholly-owned subsidiary of the Company. Pursuant to the Amalgamation Agreement, the Company will issue Resulting Issuer Shares in exchange for the delivery of the MindHealth Shares. The aggregate number of Resulting Issuer Shares to be issued in exchange for the issued and outstanding MindHealth Shares shall be determined by multiplying the relevant number of MindHealth Shares issued and outstanding at the time of Closing by the Share Exchange Ratio.

There are currently 43,166,885 MindHealth Shares issued and outstanding as at October 31, 2020.

There are currently 32,066,579 Cardinal Shares and 3,000,000 Cardinal Options issued and outstanding as at October 31, 2020.

The Company and MindHealth have entered into a Business Combination Agreement dated September 11, 2020. Pursuant to the terms of the Agreement, the Company intends to issue an aggregate of 81,706,553 Resulting Issuer Shares to the former shareholders of MindHealth in exchange for all of the issued and outstanding MindHealth Shares at an exchange ratio of 1.06499 Resulting Issuer Shares for each MindHealth Share. Also pursuant to the terms of the agreement, the Company intends to issue 1,666,662 Resulting Issuer Shares to the former shareholders of Cardinal in exchange for all of the issued and outstanding Cardinal Shares at an exchange ratio of 1 Resulting Issuer Share for every 19.24 Cardinal Shares. In addition, 1,999,995 Resulting Issuer Shares were issued to certain eligible finders of Cardinal. Therefore, an aggregate of 3,666,657 Resulting Issuer Shares are to be issued in relation to the Transaction.

The Cardinal Options outstanding immediately before the Transaction occurs shall continue in effect unamended, except to the extent that their terms will be adjusted to reflect the Amalgamation, and following completion of the Transaction, the Cardinal Options will remain in effect until the earlier of: (i) their expiry in accordance with the Cardinal Stock Option Plan; and (ii) the original expiry date of such Cardinal Options.

3. Pro forma adjustments

a) On August 27, 2020, MindHealth issued payment of $30,000 to Cardinal as an expense advance for legal fees related to the Transaction. This payment has been eliminated in the pro forma consolidated statement of financial position for consolidation purposes.

b) Since the Company's operations do not constitute a business, the Transaction has been accounted for in accordance with IFRS 2 – *Share-based Payment,* which results in the following:

- MindHealth is deemed to be the acquirer and the Company is deemed to be the acquiree for accounting purposes;
- The assets and liabilities of the Company are included in the unaudited pro forma consolidated statement of financial position and are presented at their fair value, which is deemed to be equal to their carrying value;
- Immediately prior to closing of the Transaction, the original holders of options of the Company exercised 3,000,000 Cardinal options for total cash proceeds of $30,000.
- The pre-acquisition equity of the Company will be eliminated upon consolidation. This includes its share capital of $8,328,310, contributed surplus of $15,391,132, and accumulated deficit of $23,688,721;
- The purchase price is recorded as the cost to acquire the share capital at the fair value at the time of the transaction. The excess of the amount paid over the fair value of the assets is charged to listing expense. Accordingly, share capital increased by $897,328.

The assets and liabilities of MindHealth are included in the unaudited pro forma condensed consolidated statement of financial position at their historic value.

The net assets of the Company are included at fair value, assumed to be equal to their carrying value at October 31, 2020.

c) $4,511,160.25 of share capital has been included in the unaudited pro forma condensed consolidated statement of financial position related to a concurrent financing by MindHealth that is expected to close before the effective date of the Transaction. This represents 15,553,633 common shares. This amount is an estimate and is subject to change before the effective date of the Transaction (see Note 4).

d) On October 20, 2020, MindHealth entered into a non-binding agreement with Psyence. The agreement proposes for MindHealth to purchase 100% of the issued and outstanding shares of Psyence, in exchange for the issuance of 18,000,000 common shares of MindHealth. The effective exchange ratio is 1 MindHealth share for every 1.2611 Psyence Shares. This would result in 19,169,813 Resulting Issuer Shares issued to Psyence, with an implied purchase price of $4,500,000. In addition, 2,270,000 Psyence Options and 2,200,000 Psyence Warrants are reserved for issuance prior to the closing of Psyence's acquisition by MindHealth. These Psyence Options and Psyence Warrants will be converted into MindHealth Options and MindHealth Warrants at the same ratio of 1.2611. This will result in 1,788,344 MindHealth Options and 1,744,493 MindHealth Warrants at a fair value of $315,206 and $247,096, respectively (see Note 5 and Note 6). One third of these 1,788,344 MindHealth Options vest 6 months from the date of issuance, one third vest 12 months from the date of issuance, and the last third vest 30 months from the date of issuance. The 1,744,493 MindHealth Warrants vest immediately upon issuance.

The transaction has been accounted for as a business combination in accordance with IFRS 3 Business Combinations. The resulting difference between the purchase price consideration of Psyence and its net assets acquired has been allocated to goodwill and other intangible assets.

e) 5,190,181 MindHealth Options and 6,548,813 MindHealth Warrants are proposed to be issued prior to the closing of the Transaction. This will result in 5,527,488 Resulting Issuer Options and 6,974,417 Resulting Issuer Warrants at a fair value of $914,799 and $925,505, respectively (see Note 5 and Note 6). One third of these 5,527,488 Resulting Issuer Options vest 6 months from the date of issuance, one third vest 12 months from the date of issuance, and the last third vest 30 months from the date of issuance. The 6,974,417 Resulting Issuer Warrants vest immediately upon issuance.

4. Pro forma share capital, October 31, 2020

Pro Forma Number of Common Shares

	Shares	Amount ($)
MindHealth Shares as at October 31, 2020	43,166,885	4,438,218
Share exchange @ 1.06499 Resulting Issuer Shares for each MindHealth Share	45,972,282	4,438,218
MindHealth concurrent financing	15,553,633	4,511,160
Share exchange @ 1.06499 Resulting Issuer Shares for each MindHealth Share	16,564,458	4,511,160
Share exchange @ 1 Resulting Issuer Share for every 19.24 Cardinal Shares	3,822,582	897,328
Share exchange @ 1 MindHealth Share for every 1.2611 Psyence Shares; and 1.0649 Resulting Issuer Shares for each MindHealth Share	19,169,813	4,500,000
Pro forma balance of common shares outstanding	85,529,134	14,346,706

5. Stock options

	Number of Options	Amount ($)
Psyence Options converted into Resulting Issuer Options at October 31, 2020	1,904,567	315,206
MindHealth Options converted into Resulting Issuer Options at October 31, 2020	5,527,488	914,799
	7,432,055	1,230,005

Cardinal has 3,000,000 options outstanding as at October 31, 2020. The fair value of the Options has been estimated using the Black-Scholes pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.25%; (iv) share price of $0.23; (v) exercise price of $0.19; (vi) forfeiture rate of nil; and (vii) expected life of 37 months. The expected volatility is based on the trading prices of comparable companies. The options vest immediately after the effective date of the Transaction.

2,255,300 Psyence Options will be issued prior to the closing of Psyence's acquisition by MindHealth, with an assumed date of October 31, 2020. The fair value of the Options has been estimated using the Black-Scholes pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.25%; (iv) share price of $0.235; (v) exercise price of $0.30; (vi) forfeiture rate of nil; and (vii) expected life of 60 months. The expected volatility is based on the trading prices of comparable companies. 1/3 of the options vest 6 months after the effective date of the Transaction, 1/3 of the options vest 12 months after the effective date of the Transaction, and 1/3 of the options vest 30 months after the effective date of the Transaction.

5,190,181 MindHealth Options will be issued prior to the effective date of the Transaction, with an assumed date of October 31, 2020. The fair value of the Options has been estimated using the Black-Scholes pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.25%; (iv) share price of $0.235; (v) exercise price of $0.30; (vi) forfeiture rate of nil; and (vii) expected life of 60 months. The expected volatility is based on the trading prices of comparable companies. 1/3 of the options vest 6 months after the effective date of the Transaction, 1/3 of the options vest 12 months after the effective date of the Transaction, and 1/3 of the options vest 30 months after the effective date of the Transaction.

6. Warrants

	Number of Warrants	Amount ($)
Psyence Warrants converted into Resulting Issuer Warrants at October 31, 2020	1,857,867	247,096
MindHealth Warrants converted into Resulting Issuer Warrants at October 31, 2020	6,974,417	925,505
	8,832,284	1,172,601

2,200,000 Psyence Warrants will be issued prior to the closing of Psyence's acquisition by MindHealth, with an assumed date of October 31, 2020. The fair value of the Warrants has been estimated using the Black-Scholes pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.25%; (iv) share price of $0.235; (v) exercise price of $0.30; (vi) forfeiture rate of nil; and (vii) expected life of 36 months. The expected volatility is based on the trading prices of comparable companies. All of the Psyence Warrants will vest immediately upon issuance.

6,548,813 MindHealth Warrants will be issued prior to the closing of the Transaction, with an assumed date of October 31, 2020. The fair value of the Warrants has been estimated using the Black-Scholes pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.25%; (iv) share price of $0.235; (v) exercise price of $0.30; (vi) forfeiture rate of nil; and (vii) expected life of 36 months. The expected volatility is based on the trading prices of comparable companies. All of the MindHealth Warrants will vest immediately upon issuance.

7. Transaction listing expense

Total purchase price of Cardinal is as follows:		
Resulting Issuer Shares, Cardinal		3,822,582
Price per share based on Mindhealth Private Placement	$	0.235
Cost of acquistion, share issuance		897,328
Fair value of net assets including cash		60,720
Excess paid over net assets - listing expense		836,608
Fair value net asset calculation of Cardinal:		
Assets		145,651
Liabilites		(84,931)
		60,720

8. Income tax

The effective consolidated pro forma tax rate is expected to approximate 26.5%.

Schedule "H"
Psyence Therapeutics Audited Financial Statements for the period from April 29, 2020 to October 31, 2020

Psyence Therapeutics Corp.
FINANCIAL STATEMENTS

Period from April 29, 2020 (date of incorporation) to October 31, 2020

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Independent Auditor's Report

To the Shareholders of Psyence Therapeutics Corp.:

Opinion

We have audited the financial statements of Psyence Therapeutics Corp. (the "Company"), which comprise the statement of financial position as at October 31, 2020, and the statement of net loss and comprehensive loss, changes in shareholders' deficit and cash flows for the period from April 29, 2020 (date of incorporation) to October 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020, and its financial performance and its cash flows for the period from April 29, 2020 to October 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had a working capital deficiency of $43,623 and accumulated losses of $43,850 as of October 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Toronto, Ontario
December 4, 2020

Chartered Professional Accountants
Licensed Public Accountants

Expressed in Canadian Dollars

	Note		As at October 31,2020
Assets			
Current assets			
Subscriptions receivable	5	$	227
Total current assets			227
Total assets		$	**227**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	$	34,500
Due to related parties	9		9,350
Total liabilities			**43,850**
Shareholders' deficit			
Share capital	7		227
Deficit			(43,850)
Total shareholders' deficit			(43,623)
Total liabilities and shareholders' deficit		$	**227**

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board.

("signed") Michael Dacks
Director

("signed") Alan Friedman
Director

The accompanying notes form an integral part of these financial statements.

Expressed in Canadian Dollars

	Note	For the period from April 29, 2020 (date of incorporation) to October 31, 2020
Expenses		
Professional fees and consulting fees	9	$ 41,859
General and administrative		1,991
Net loss and comprehensive loss		**$ (43,850)**
Loss per share - basic and diluted	11	(0.00)
Weighted average numbers of outstanding shares – basic and diluted		20,817,204

The accompanying notes form an integral part of these financial statements.

Expressed in Canadian Dollars

	Note	Number of shares	Share capital $	Deficit $	Total shareholders' deficit $
Shares issued	7	22,700,000	227	-	227
Net loss		-	-	(43,850)	(43,850)
Balance, October 31, 2020		**22,700,000**	**$ 227**	**$ (43,850)**	**$ (43,623)**

The accompanying notes form an integral part of these financial statements.

	Note		For the period from April 29, 2020 (date of incorporation) to October 31, 2020
Net loss		$	(43,850)
Changes in non-cash working capital:			
Accounts payable and accrued liabilities			34,500
Amount due to related parties	9		9,350
Cash provided (used) by operating activities			**-**
Change in cash			-
Cash, beginning of period			-
Cash, end of period		**$**	**-**

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Psyence Therapeutics Corp. ("Psyence", the "Company") was incorporated on April 29, 2020 under the provisions of the Business Corporations Act (Ontario). Psyence is a company that provides a platform for business and innovation in psychedelic therapy, experience, wellness, and the development and commercialization of related technologies and products. Psyence is domiciled in Ontario, Canada and its head office is located at 2010-200 Bay Street, Toronto, Ontario.

On October 20, 2020, Psyence entered into a non-binding agreement with MindHealth BioMed Corp. ("MindHealth"). The agreement proposes for MindHealth to purchase 100% of the issued and outstanding shares of Psyence, in exchange for the issuance of 18,000,000 common shares of MindHealth at a share price of $0.25. This transaction is subject to satisfactory completion of each party's mutual financial, commercial, accounting, technical and legal due diligence review of the other party.

During the period, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the Coronavirus outbreak may have on Psyence as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we do not anticipate that this outbreak will impact Psyence's business or financial condition.

As at October 31, 2020, the Company had a working capital deficiency of $43,623, had not yet achieved profitable operations, has accumulated losses of $43,850 and expects to incur future losses in the development of its business. All of these represent material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements for the period ended October 31, 2020 were approved and authorized for issue by the Board of Directors on December 4, 2020.

Basis of measurement

These financial statements have been prepared on an accrual basis, are based on historical costs and are presented in Canadian dollars, unless otherwise noted.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is also Psyence's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period. The Company did not issue any convertible securities during the period from April 29, 2020 (date of incorporation) to October 31, 2020.

IFRS 9 – Financial instruments

The Company recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognized at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial instruments that are not classified as fair value through profit or loss.

The classification and measurement approach for financial assets reflect the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Company identifies changes in its business model in managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

A financial asset shall be measured at FVTPL unless it is measured at amortized cost or at FVOCI.

Financial liabilities are classified and measured based on two categories - amortized cost or FVTPL:

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Classification and measurement of the financial instruments is as follows:

Financial instrument	Classification
Subscriptions receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Under IFRS 9, the Company applies a forward-looking expected credit loss ("ECL") model, at each balance sheet date, to financial assets measured at amortized cost or those measured at FVOCI, except for investments in equity instruments.

The three-stage approach to recognizing ECL under IFRS 9 is intended to reflect the increase in credit risk of a financial instrument and are:

- Stage 1 is comprised of all financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. The Company recognizes an impairment loss for those financial instruments at an amount equal to the twelve-month expected credit loss following the balance sheet date.
- Stage 2 is comprised of all financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of a credit loss event. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.
- Stage 3 is comprised of all financial instruments that have objective evidence of impairment at the reporting date. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.

Impairment losses are recorded in the statement of net loss and comprehensive loss with the carrying amount of the financial assets reduced through the use of impairment allowance accounts.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was initially recognized.

Foreign currency translation

The financial statements are presented in Canadian Dollars which is Psyence's functional currency.

A foreign currency transaction is initially recorded in the functional currency of Psyence, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at the year-end exchange rate. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired, and liabilities incurred.

The resulting exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are included in profit or loss in the period in which they arise.

Income taxes

Income taxes are comprised of current and deferred balances and are recognized in income except to the extent that the taxes relate to a business combination, or to items recognized directly in equity.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income taxes are calculated by measuring the temporary differences arising between the tax basis of an asset or liability and its carrying value. Deferred income tax assets or liabilities are calculated using enacted or substantively enacted income tax rates expected to apply in the period in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of loss in the period that substantive enactment occurs.

Recognition of a deferred tax asset for unused tax losses, tax credits and deductible temporary differences is recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Share capital

Financial instruments issued by Psyence are classified as shareholders' deficit only to the extent that they do not meet the definition of a financial asset or financial liability. Psyence's common shares are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from shareholders' deficit.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments. Management has determined that the Company has only one operating segment.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or entities. A transaction is considered to be a related party transaction when there is transfer of resources or obligations between related parties.

Expressed in Canadian Dollars

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Actual results may differ from these estimates. The Company's management reviews these estimates, judgments, and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The following are deemed to be critical accounting policies by management for the period from April 29, 2020 (date of incorporation) to October 31, 2020 as these require a high level of subjectivity and judgement and could have a material impact on Psyence's financial statements.

Going concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Management routinely plans future activities including forecasting future cash flows and forming judgements collectively with directors of the Company.

5. SUBSCRIPTIONS RECEIVABLE

Subscriptions receivable is comprised of share subscription consideration that has not yet been received for shares issued in the period from April 29, 2020 (date of incorporation) to October 31, 2020.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include the following amounts:

	October 31, 2020
Trade payables	$ -
Accrued liabilities	34,500
Total	**$ 34,500**

7. SHARE CAPITAL

Available: Class A, Class B, Class C, Class D common shares

Authorized: unlimited number of voting common shares without par value.

Issued and outstanding

	Number of common shares	Amount ($)
Issuance of shares (Class A)	22,700,000	$ 227
Total	**22,700,000**	**$ 227**

Common shares

On April 29, 2020, the Company issued 20,000,000 Class A common shares with a subscription price of $0.00001 per share for gross proceeds of $200.

On August 15, 2020, the Company issued 1,100,000 Class A common shares with a subscription price of $0.00001 per share for gross proceeds of $11.

On September 15, 2020, the Company issued 1,000,000 Class A common shares with a subscription price of $0.00001 per share for gross proceeds of $10.

Expressed in Canadian Dollars

On September 30, 2020, the Company issued 600,000 Class A common shares with a subscription price of $0.00001 per share for gross proceeds of $6.

8. SEGMENTED INFORMATION

For the period from April 29, 2020 (date of incorporation) to October 31, 2020, management determined that the Company operated only in one segment.

9. TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

Transaction type	**Related party transactions for the period ended October 31, 2020**	**Balance included in accrued liabilities as at October 31, 2020**
Consulting fees – key management personnel	$ 25,000	$ 25,000
Total	**$ 25,000**	**$ 25,000**

The Company has an amount due to a related party in the amount of $3,900 related to consulting fees paid by the related party on behalf of the Company. The Company also has two amounts due to two other related parties in the amounts of $3,459 and $1,991 related to working capital advances provided by the related parties to the Company.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. Psyence's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from subscriptions receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at October 31, 2020, the Company's financial liabilities consist of account payable, accrued liabilities and amounts due to related parties which all have contractual maturity dates within one year.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. The Company's access to financing is always uncertain. There can be no assurance of access to significant equity or debt funding.

Based on the Company's working capital position at October 31, 2020, management regards liquidity risk to be high as the Company does not have any cash and working capital is negative (Note 1).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates.

Capital management

Expressed in Canadian Dollars

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. The Company considers its share capital balance as capital.

11. LOSS PER SHARE

The calculation of loss per share for the period from April 29, 2020 (date of incorporation) to October 31, 2020 is based on the net loss of $(43,850) and a weighted average number of common shares outstanding of 20,817,204.

	For the period from April 29, 2020 (date of incorporation) to October 31, 2020
Net loss	(43,850)
Weighted average number of common shares outstanding	20,817,204
Loss per share – basic and diluted	$ (0.00)

12. COMMITMENTS

On August 25, 2020, the Company entered into an agreement with a consultant for business consulting services. The committed amounts are as follows:

Fees

A monthly fee of $10,000.

Equity-based compensation

In any event prior to any financing transaction or additional shares being issued by the Company, the consultant shall be issued shares equaling 5% of the newly issued and outstanding equity of the Company following such issuance.

The consultant shall participate in all issuances of stock options or such other equity based incentives as the Company may offer for the period they are providing consulting services. Concurrent to the first raise of capital, should the consultant be providing consulting services, they shall be issued options to purchase shares of the Company from the initial stock option pool, at an exercise price equal to the price per share of the first financing.

On September 30, 2020, the Company entered into an agreement with a second consultant for business consulting services. The committed amounts are as follows:

Fees

A monthly fee of $1,500.

Equity-based compensation

In any event prior to any financing transaction or additional shares being issued by the Company, the consultant shall be issued shares equaling 3% of the newly issued and outstanding equity of the Company following such issuance.

Further to the satisfaction of certain milestones to be mutually agreed upon, the consultant shall be eligible to receive an option grant at an exercise price no less than the same value of the first capital raise. Such options are not to be issued before the time of such first capital raise.

Expressed in Canadian Dollars

13. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

Net income (loss) before recovery of income taxes	$	(43,850)
Expected income tax (recovery) expense	$	(11,620)
Change in tax benefits not recognized		11,620
Income tax (recovery) expense	$	-

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Non-capital losses carried forward	$	43,850

The Canadian non-capital loss carry forwards expire as noted in the table below:

Expiry	Amount
2040	43,850
TOTAL	$ 43,850

14. SUBSEQUENT EVENT

On December 2, 2020, MindHealth Biomed Corp. ("MindHealth") entered into an agreement to acquire 100% of the interest in Psyence by issuing 18,000,000 MindHealth shares, 1,800,000 MindHealth options and 1,777,777 MindHealth warrants in exchange for the outstanding 22,700,000 Psyence shares, contingent 2,270,000 Psyence options and contingent 2,200,000 Psyence warrants pursuant to the terms of a share exchange agreement.