



Management's Discussion and Analysis

For the three months ended December 31, 2022 and 2021

DATE AND SUBJECT OF REPORT

The following management's discussion and analysis (the "MD&A") of the financial condition and results of the operations of Global Wellness Strategies Inc. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended December 31, 2022 and should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2022 and 2021. The financial statements and MD&A of the Company are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. References to "US\$" are to United States dollars. Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.globalwellnessstrategies.com. You may also access the Company's disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended September 30, 2022 and 2021, are also referred to as "fiscal 2022" and "fiscal 2021".

The effective date of this MD&A is April 3, 2023.

Forward-Looking Statements

This MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are usually preceded by, followed by or include the words 'believes', 'expects', 'anticipates', 'estimates', 'intends', 'plans', 'forecasts', 'may', 'will', or similar expressions, although not all forward-looking statements contain these words. These forward-looking statements are based on management's current expectations and involve numerous risks and uncertainties. Such uncertainties may include general economic, political or market uncertainties in Canada or elsewhere, changes to regulatory or compliance requirements, changes in government policies, the risks inherent in a development stage business, the possible future impact of tax exposures, currency and exchange rate fluctuations, changes in interest rate, all of which are difficult or impossible to predict accurately. While we believe the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. Forward-looking statements are not guarantees of future performance. Actual results may differ materially from those implied by the forward-looking statements. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

Description of Business

The Company was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and was continued to British Columbia on January 30, 2006. On August 2, 2018, the Company completed a change of business and corporate name change to become a merchant bank focused on medical cannabis and hemp. The Company's shares are publicly traded on the OTC Markets, Frankfurt Exchange and Canadian Stock Exchange (the "CSE") under the symbol "GWS".

The Company provides advisory services, debt and equity funding in the mid to late stages of a target company's development, or in technologies that are developed and validated but may be in the early stage of commercialization in the medical cannabis, hemp and CBD markets. The head office, principal address and records office of the Company are located at 1100 - 1111 Melville St Vancouver, British Columbia V6E 3V6.

CORPORATE UPDATES

On October 6, 2022 the Company appointed SHIM & Associates LLP as auditors of the Company to hold office until the next annual meeting at remuneration to be fixed by the directors.

Directors and Officers of the Company

The board of directors of the Company consists of Meris Kott, Mark Ireton, Ashleigh Vogstad and Lindsey Perry Jr. The management team of the Company is comprised of Meris Kott, CEO, Lindsey Perry Jr, CFO and Monita Faris, Corporate Secretary.

Outlook

Global Wellness Strategies has completed vertically integrated acquisitions in the 2021 fiscal year. The Company will focus in 2023 in developing those acquisitions through additional revenue streams, advancing research initiatives, corporate advisory services, joint venture partnerships, corporate re-organizations, valuation adjustments, corporate development strategy and possible consumer packaged goods products.

Going Concern

The Company incurred a loss and comprehensive loss of \$152,597 for the three months ended December 31, 2021, has an accumulated deficit of \$41,996,037 and has had recurring losses since inception. The Company does not have sufficient funds to sustain its operations over the next twelve months. Management is considering all possible financing alternatives, including equity and debt financing to finance the future operations.

The ability to continue operating as a going concern is dependent on raising additional funding to develop successful businesses. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These circumstances lead to substantial doubt as to the ability of the Company to meet its obligations as they become due and, accordingly, as to the appropriateness of the use of accounting principles applicable to a going concern.

OVERALL PERFORMANCE

The Company is classified as a merchant bank focused on medical cannabis, hemp and CBD markets in both Canada and the United States. The Company made several secured loans to cannabis companies during the year ended September 30, 2019. As at the period ended December 31, 2022, the Company initiated acquisitions in order to diversify into potential consumer packaged goods and psychedelic MDMA-based drug development research in both the United States and Australia.

Investments

KaleidoMyco, LLC ("KM")

On April 5, 2021, and as amended on September 24, 2021, the Company entered into a Limited Liability Company Membership Interest Purchase Agreement and an Agreement Amendment (collectively the "Purchase Agreement") with KM, a private Florida, United States company, whereby the Company would purchase all the membership interest in KM in one tranche representing a 51% membership interest and the second tranche representing a 49% membership interest. There were no specified assets acquired.

KM is a company focused on myco-dosing with functional mushrooms and the production of consumer packaged wellness products. KM is one of the first companies combining hemp extract and adaptogens.

In consideration for the purchase of the assets and membership interests, the Company shall pay KM the following:

- A. \$850,000 ("Purchase Price") in common shares of the Company.
- B. Bonus of \$2,500,000 in common shares of the Company if the assets realize \$2,000,000 in revenues in year two following closing.

The Purchase Price shall be tendered as follows:

- (i) \$437,500 in common shares upon closing, payable in two instalments representing a 51% of membership interest as follows:
 - a. \$87,500 in common shares (350,000 shares issued) with a fair value of \$58,040 upon signing of definitive agreement;
 - b. \$350,000 in common shares (1,400,000 shares issued) with a fair value of \$232,159.
- (ii) \$412,500 in common shares for the remaining 49% of the membership interest and has been recorded as a commitment to issue shares.

Earn-Out Consideration:

As part of the consideration paid, the Company is required to issue additional common shares to KM upon the satisfaction of provisions applicable to one earn-out consideration (the "Earn-Out"). As follows:

- Earn-Out: The Company is required to issue \$2,500,000 in common shares with a grant date fair value of \$85,955 recorded as a commitment to issue shares, upon KM realizing \$2,000,000 in revenues in year two following closing or if KM is granted a formula products patent.

The Earn-Out is payable if, and only if, the applicable target has been met. The Earn-Out was recognized on the acquisition date as contingent consideration. The measurement of contingent consideration is impacted by estimated probabilities and the likelihood that the target will be met, which is payable in common shares, if such target is met. This estimated probability is subjective and is significantly impacted by various factors as of the acquisition date. As of the acquisition date, September 30, 2021, the Company estimated 5% probability of the Earn-Out being met and estimated fair value is determined to be \$85,955. The Earn-Out is accounted for under IFRS 2 – Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as KM does not meet the definition of a business under *IFRS 3, Business Combinations*.

In accordance with *IFRS 2 – Share based payments*, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:	
1,750,000 common shares at \$0.17 per share	\$ 290,199
Commitment to issue shares	284,561
Contingent consideration	85,955
Total consideration	660,715

During the year ended September 30, 2021, the Company recorded the consideration paid as share-based payments in the total amount of \$660,715.

The shares to the shareholders of KM are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

Shanti Therapeutics PTY Ltd. ("Shanti")

On September 27, 2021, the Company signed a Share Purchase Agreement to acquire 100% interest in Shanti Therapeutics Pty Ltd. ("Shanti"), which is focused on psychedelic MDMA-based drug development research. There were no specified assets acquired.

In consideration for the acquisition, the Company shall pay the following:

- A. \$2,500,000 ("Shanti Purchase Price") in common shares with a grant date fair value of \$1,890,195; and
- B. Contingent consideration of \$2,500,000 in common shares with a grant date fair value of \$414,690 recorded as commitment to issue shares, based on certain performance measures.

The Shanti Purchase Price shall be tendered as follows:

- (i) \$2,500,000 in common shares upon closing, payable in 4 instalments representing a 100% of interest as follows:
 - a. \$625,000 in common shares (3,472,222 shares issued) upon signing of definitive agreement;
 - b. \$625,000 in common shares on or before February 28, 2022 (2,500,000 shares issued) (Note 4);
 - c. \$625,000 in common shares on or before March 22, 2022(2,500,000 shares) (Note 4); and
 - d. \$625,000 in common shares on or before April 20,2022 (2,083,334 shares issued) (Note 4).

Contingent consideration:

As part of the consideration paid, the Company will issue common shares to Shanti upon the satisfaction of provisions applicable to four earn-out considerations (collectively the "Shanti Earn-Outs"). As follows:

- First Earn-Out: \$625,000 in common shares upon the establishment of a medical advisory board and scientific board;
- Second Earn-Out: \$625,000 in common shares upon the proof of concept trial registered with the trial authority;
- Third Earn-Out: \$625,000 in common shares upon the clinical trial notification granted; and
- Fourth Earn-Out: \$625,000 in common shares upon the ethics approval.

The Shanti Earn-Outs are payable if, and only if, applicable targets have been met. The measurement of the Shanti Earn-Outs is impacted by estimated probabilities and the likelihood that these items will be met, which is payable in common shares, if such targets are met. These estimated probabilities are subjective and are significantly impacted by various factors as of the acquisition date.

As of the acquisition date and September 30, 2021, the Company estimated the fair value of the First Shanti Earn-Out at \$262,292 with a 60% probability of the target being met, the fair value of the Second Shanti Earn-Out at \$87,247 with a 20% probability of the target being met, the fair value of the Third Shanti Earn-Out at \$43,493 with a 10% probability of the target being met, and the fair value of the Fourth Shanti Earn-Out at \$21,658 with a 5% probability of the target being met.

As at September 30, 2021, the estimated fair value of the Shanti Earn-Outs was determined to be \$414,690. The Shanti Earn-Out is accounted for under IFRS 2-Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as Shanti does not meet the definition of a business under IFRS 3, Business Combinations.

In accordance with *IFRS 2*, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:	
3,472,222 common shares at \$0.17 per share	\$ 583,333
Commitment to issue shares	1,306,862
Contingent consideration	414,690
Total consideration	\$ 2,304,885

The common shares are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

RESULTS OF OPERATIONS

Selected Annual Information

The following table summarizes selected financial data for the Company for each of the three most recently completed fiscal years. The information set forth below should be read in conjunction with the audited consolidated annual financial statements of the same years.

	Years ended September 30,		
	2022	2021	2020
	\$	\$	\$
Net loss	(1,368,727)	(3,583,927)	(1,374,989)
Comprehensive loss	(1,368,727)	(3,583,927)	(1,374,989)
Total assets	297,830	25,628	3,999
Net loss per share (basic and diluted)	0.05	0.23	0.10

Selected Quarterly Information

The following table summarized the results of operations for the eight most recent quarters:

<i>(in thousands of dollars, except per share amounts)</i>	2023	2022				2021		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net income (loss)	(153)	(92)	(748)	(130)	(398)	(2,466)	(611)	(293)
Loss per share	0.02	0.16	0.04	0.02	0.01	0.09	0.01	0.00

Weighted averages are consolidated shares. See Disclosure of Outstanding Share Data section.

Results for the three months ended December 31, 2022 compared to the three months ended December 31, 2021

During the three months ended December 31, 2022 the Company incurred a net loss of \$152,597 compared to net loss of \$423,537 in the comparable prior period. The Company had decreases in consulting and professional fees as they have decreased their acquisitions and focused costs towards their target investments.

Related Party Transactions

A number of key management personnel and directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to management personnel or Directors, or entities over which they have control or significant influence, during the three months ended December 31, 2022 or December 31, 2021.

Meris Kott, the Company's President and CEO receives a monthly consulting fee and incentive stock options. All other key management personnel and directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on thirty days' notice. Key management personnel and directors participate in the Company's stock option plan. No Stock options were granted during the three months ended December 31, 2022 or December 31, 2021 to Directors and Officers.

The Company transacted with the following related parties:

- (a) 1060606 BC Ltd. ("106 BC Ltd.") is a consulting firm over which the CEO of the Company has significant influence and ownership. Charges are for consulting, travel, office rent and administration.
- (c) Stephen Brohman is the former Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with professional services.

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Transactions 3 months ended December 31, 2022 \$	Transactions 3 months ended December 31, 2021 \$	Balances outstanding December 31, 2022 \$	Balances outstanding September 30, 2022 \$
106 BC Ltd.				
- consulting services	-	-	89,996	89,996
DBM CPA	-	46,025	120,565	120,625
Meris Kott	30,000	-	59,750	29,750
	30,000	46,025	270,311	240,371

All related party balances are unsecured and are due within thirty days without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

- (a) Consulting and travel expenses
 - Includes Meris Kott fee related to consulting, administrative and travel related expenses.
- (b) Office rent
 - Charged by 106 BC Ltd.
- (c) Professional fees
 - Includes the accounting services of the Company's former CFO, Stephen Brohman, charged to the Company by DBM CPA.

Disclosure of Outstanding Share Data

The Company's share structure as at the date of this MD&A are as follows:

Authorized Share Capital: Unlimited number of voting common shares without par value

Issued and outstanding: As at the date of this document, there were 39,062,130 common shares issued and outstanding, nil share purchase warrants outstanding at the date of this document, and 716,250 share purchase options.

Liquidity and Capital Resources

At December 31, 2022, the Company had a working capital deficit of \$553,886 (2020 - \$488,304)

	December 31, 2022	September 30, 2022
	\$	\$
Current assets	223,709	297,830
Current liabilities	777,595	721,119

Transactions for the issue of share capital during the three months ended December 31, 2022:

There were no issuances of shares in the period.

Transactions for the issue of share capital during the three months ended December 31, 2021:

On October 14, 2021, the Company issued 1,360,000 common shares with a fair value of \$340,000 as settlement of debt pursuant to services rendered. In connection with the shares issued for debt, the Company recognized a loss on debt settlement in an amount of \$175,000.

Loan payable

On May 15, 2022, the Company signed an unsecured Balloon Promissory Note (the "Loan") with an arm's length party, whereby the Company received an amount of \$24,992. The Loan bears interest at 4% annually and is due on May 15, 2024 (the "Maturity Date"). Following the Maturity Date, both principal and accrued interest shall bear interest at the rate of 8% annually. The Loan may be repaid at any time in whole or in part without penalty. The loan has been repaid. As at December 31, 2022, the total Loan payable was Nil.

On December 15, 2022, the Company signed an unsecured Balloon Promissory Note (the "Loan") with an arm's length party, whereby the Company received an amount of \$22,000. The Loan bears interest at 4% annually and is due on December 15, 2024 (the "Maturity Date"). Following the Maturity Date, both principal and accrued interest shall bear interest at the rate of 8% annually.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Accounting Policies

The significant accounting policies of the Company are listed in the Note 2 to the Company's audited financial statements for the year ended September 30, 2022.

New Accounting standards

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after October 1, 2022. The Company has reviewed these updates and determined that none these updates are applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

Financial Instruments and Risks Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Contingency

On November 8, 2022, the Company was served a Notice of Claim by a former attorney. The Company filed a response to the court denying all claims. The Company has included the amount in accounts payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

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 is not exposed to significant foreign exchange risk.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main source of funding has been the issuance of equity securities 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 funding.

Capital Management

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the three months ended December 31, 2022.

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount wither due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial and Disclosure Controls and Procedures

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost-effective basis.

Subsequent event

On January 11, 2023 the Company was served a small claims Notice of Claims from an audit firm. The Company responded to the court that it plans on disputing the claims.

On January 20, 2023, the Company issued 2,050,000 common shares pursuant to consulting agreements being settled for shares; the aggregate value of the shares was \$205,000.

On March 17, 2023, 555,556 shares were returned to Treasury.