**NOVA MENTIS LIFE SCIENCE CORP.**
**(FORMERLY LIBERTY LEAF HOLDINGS LTD.)**
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

**April 30, 2021**

## OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Nova Mentis Life Science Corp. (the "Company") and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019, which are filed on the SEDAR website: www.sedar.com.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's consolidated financial statements. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

## DESCRIPTION OF BUSINESS AND ACTIVITY

The Company is a Vancouver, British Columbia, based company incorporated under the name Weststar Resources Corp. on October 27, 2004 in the province of British Columbia. During the year ended December 31, 2006, the Company completed its initial public offering on the TSX Venture Exchange ("TSX-V"), and the Company's shares were listed for trading on September 22, 2006.

The Company was a mineral exploration company until October 21, 2016, when the Company changed its name, completed a transition to the cannabis business through the acquisition of North Road Ventures Ltd. ("North Road"), and began trading under the symbol "LIB".

On June 26, 2020, the Company completed a share purchase agreement with Nova Mentis Biotech Corp. ("NOVA"), pursuant to which the Company acquired all of the issued and outstanding shares in the capital of NOVA in exchange for 28,750,002 common shares in the capital of the Company. NOVA is a research and development driven company that is focused on investigating the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes.

Effective June 26, 2020, the shares of the Company commenced trading on the Canadian Securities Exchange on a four to one consolidated basis under the name "Nova Mentis Life Science Corp." and stock symbol "NOVA".

The principal address of the Company is located at 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 0A6.

Please refer to https://www.novamentis.ca/ for additional information.

### General and Financing

During the year ended December 31, 2019, the Company issued 312,500 common shares of the Company for gross proceeds of $150,000 on the exercise of 312,500 stock options.

During the year ended December 31, 2020, the Company issued 28,750,002 common shares in the capital of the Company as part of the acquisition of Nova Mentis Biotech Corp. ("NOVA") on June 26, 2020. These 28,750,002 common shares were valued at $0.26 resulting in an increase to share capital of $7,475,000.

In June 2020, Doug Macdonell resigned as a Director of the Company.

On September 17, 2020, the company appointed Ms. Jacqueline McConnell to its Board of Directors and as Chief Operating Officer ("COO"). Jacqueline McConnell has over twenty years of experience working for Apotex Inc., one of Canada's largest pharmaceutical companies.

Effective immediately in her new role as COO, Ms. McConnell will assume responsibility for, among other things, managing the integration and acting as a liaison to NOVA's business segments, such as psilocybin-focused Nova Mentis Biotech Corp. Further, in utilizing her background in the biotechnology and pharmaceutical industries, she will spearhead corporate development efforts and new business initiatives within this realm.

Concurrent with the appointment of Ms. McConnell to the Board of Directors, Dr. Aylia Mohammadi resigned from the Board in order to focus her ongoing efforts as Chief Scientific Officer in charge of the pre-clinical and planned clinical trials of Nova Mentis Biotech Corp. Dr. Mohammadi had joined the Company's Board of Directors in July 2020.

On November 30, 2020, the Company completed an agreement with Pilz Bioscience Corp. ("Pilz"), pursuant to which the Company acquired all of the issued and outstanding shares in the capital of Pilz in exchange for 50,006,332 common shares in the capital of the Company (the "Transaction"). These 50,006,332 common shares were valued at $0.265 resulting in an increase to share capital of $13,251,678.

The Transaction was effected by way of a "three-cornered" amalgamation, in which: (a) The Company formed a subsidiary which amalgamated with Pilz to form an amalgamated company ("Amalco"); (b) all issued and outstanding shares of Pilz were then exchanged for common shares of the Company on a 1:1 basis; and (c) Amalco became a wholly-owned subsidiary of the Company and was renamed Pilz Bioscience Corp.

Of the shares exchanged, 12,250,000 are subject to a voluntary pooling agreement whereas certain former Pilz shareholders have agreed to resale restrictions on the shares of the Company received: 20% to be released upon closing of the Transaction, a further 40% to be released three months following closing, and the remaining 40% to be released six months following closing.

Pilz Bioscience Corp. ("Pilz") is a biotechnology company developing medicinal psychedelics for neuroinflammatory conditions with a significant cognitive component and high unmet therapeutic needs.

In connection with the Transaction, the Company issued 250,000 common shares in the capital of the Company to a consultant. These common shares were valued at $0.31 resulting in an increase to share capital of $77,500. Dr. Marvin S. Hausman MD was appointed Chairman of Nova's Scientific Advisory Board and Amalco's Chief Medical Officer.

**Cannabis Industry**

On December 6, 2017, the Company signed an agreement to acquire shares of Just Kush Enterprises Ltd. ("Just Kush"), a private British Columbia company with an in process ACMPR license.

Pursuant to the agreement, the Company has advanced payment to Just Kush and the amount pertains to the build out expenditures incurred at the Just Kush facility to further Just Kush's ACMPR application. These amounts have been paid by the Company and are owed to the Company by Just Kush.

Due to deteriorating market conditions in the cannabis industry and a general disagreement between the stakeholders involved regarding terms of the original purchase agreement and whether the Company had an obligation to contribute capital to Just Kush, the Company entered into a rescission agreement dated March 19, 2021 with Just Kush such that the original purchase agreement is null and void.

Concurrent with the rescission agreement, the Company entered into a loan agreement whereby Just Kush has agreed to repay a principle sum of $2,037,839 representing advances made by the Company to Just Kush in addition to the cash consideration of the original purchase agreement. Terms of the loan are as follows:

Just Kush shall repay the principle amount on or before March 30, 2027 in monthly installments commencing on March 30, 2022, of the greater of $15,000 or 10% of the borrower's gross revenue for the immediately preceding calendar month. The loan does not accrue interest. In the event that on or before March 30, 2026, the borrower has repaid an aggregate of $800,000 of the principle, the Company shall forgive the remaining balance on the loan to Just Kush.

During the year ended December 31, 2020, the Company determined that it no longer had significant influence over Just Kush and determined that the net realizable value of any such investment is the value of the loan receivable. Accordingly, the Company incurred an impairment loss on the investment of $4,071,263 in accordance with level 3 of the fair value hierarchy and classified its investment in Just Kush as FVTPL.

On April 8, 2019 the Company launched its Signature Cannabis Retail e-commerce website, an online shopping experience offering quality cannabis accessories to consumers. Signature Cannabis Retail is a wholly owned subsidiary of the Company. Revenues for the year ended December 31, 2019 were $7,192. Revenues for the year ended December 31, 2020 were $11,472. The Company has determined not to invest further in this initiative.

## RESULTS OF OPERATIONS

For the year ended December 31, 2020

During the year ended December 31, 2020, the Company reported a net loss of $23,248,988 compared to the year ended December 31, 2019 of $1,398,087. The Company's net loss included expenditures as follows:

- Accounting, legal and audit fees of $99,921 (2019 - $131,296) decreased due to less consultants engaged;
- Consulting fees of $268,161 (2019 - $370,118) increased due to more consultants engaged for work as a result of the Nova and Pilz acquisitions;
- Management fees of $205,500 (2019 - $188,000) were paid or accrued to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and increased due to increased compensation;
- Office and general of $59,968 (2019 - $112,167) decreased due to timing of expenditures;
- Rent of $nil (2019 - $20,000) decreased due to the Company no longer paying rent to Just Kush;
- Share-based payments of $894,087 (2019 - $266,210) increased due to a higher share price in 2020 as a result of the June 2020 share consolidation;
- Shareholder communications and investor relations of $189,044 (2019 - $63,345) increased in 2020 due to an increase in promotional activity in 2020;

- Transfer agent and filing fees of $48,405 (2019 - $62,846) remained relatively consistent with the prior period;
- Equity loss from associate of $nil (2019 - $93,958) pertained to the Company's share of the loss recorded by Just Kush in 2019;
- Consideration paid in excess of net assets acquired from Nova of $6,268,583 (2019 - $nil) pertained to the difference of the fair value of consideration paid less the net assets acquired in the acquisition of Nova Mentis Biotech Corp.;
- Consideration paid in excess of net assets acquired from Pilz of $11,105,319 (2019 - $nil) pertained to the difference of the fair value of consideration paid less the net assets acquired in the acquisition of Pilz Bioscience Corp.;
- Impairment of investment in Just Kush of $4,071,263 (2019 - $nil) pertained to the Company determining that it no longer had significant influence over Just Kush in addition to a rescission agreement signed on March 19, 2021;
- Research and development costs of $31,323 (2019 - $nil) pertained to biotechnology research costs which were not incurred in 2019;
- Write off of deposit of $nil (2019 - $75,000) pertained to a write off of a deposit in the prior year;
- Interest income of $4,120 (2019 - $20,750) decreased due to less capital invested in the current period combined with lower yield;
- Recovery of expenses of $19,427 (2019 – $nil) pertained to a recovery of costs expensed in a prior period; and
- Loss on short term investments of $25,870 (2019 – $27,725) pertained to a decrease in the value of SIRE shares.

<u>For the three months ended December 31, 2020</u>

During the three months ended December 31, 2020, the Company reported a net loss of $16,239,553 compared to the three months ended December 31, 2019 of $250,548. The Company's net loss included expenditures as follows:

- Accounting, legal and audit fees of $56,477 (2019 - $41,809) increased due to legal fees associated with the PIlz and Nova transactions, in addition to working towards a rescission agreement with Just Kush during the current period;
- Consulting fees of $147,682 (2019 - $61,900) increased due to more consultants engaged for work as a result of the Nova and Pilz acquisitions;
- Management fees of $57,000 (2019 - $49,500) were paid or accrued to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and increased due to increased compensation;
- Office and general of $24,552 (2019 - $13,828) increased due to timing of expenditures;
- Rent of $nil (2019 - $3,000) decreased due to the Company no longer paying rent to Just Kush;
- Share-based payments of $579,606 (2019 - $nil) increased due to a higher share price in 2020 as a result of the June 2020 share consolidation;
- Shareholder communications and investor relations of $152,963 (2019 - $14,907) increased in 2020 due to an increase in promotional activity;
- Transfer agent and filing fees of $7,234 (2019 - $23,890) decreased from the prior period due to timing;
- Consideration paid in excess of net assets acquired from Pilz of $11,105,319 (2019 - $nil) pertained to the difference of the fair value of consideration paid less the net assets acquired in the acquisition of Pilz Bioscience Corp.;
- Impairment of investment in Just Kush of $4,071,263 (2019 - $nil) pertained to the Company determining that it no longer had significant influence over Just Kush in addition to a rescission agreement signed on

March 19, 2021;

- Research and development costs of $31,323 (2019 - $nil) pertained to biotechnology research costs which were not incurred in 2019;
- Write off of deposit of $nil (2019 - $75,000) pertained to a write off of a deposit in the prior year; and
- Loss on short term investments of $5,285 (2019 – $45,575) pertained to a decrease in the value of SIRE shares.

**SUMMARY OF QUARTERLY FINANCIAL RESULTS ($000's except loss per share)**

The following are the results for the eight most recent quarterly periods, starting with the quarter ended December 31, 2020:

| **For the Quarterly Periods ended:** | | **December 31, 2020** | **September 30, 2020** | **June 30, 2020** | **March 31, 2020** |
|---|---|---|---|---|---|
| Total revenues | $ | 2 | 1 | 2 | 7 |
| Net loss for the period | | (16,085) | (554) | (6,425) | (184) |
| Net loss per common share, basic and diluted | | (0.21) | (0.01) | (0.19) | (0.01) |

| **For the Quarterly Periods ended:** | | **December 31, 2019** | **September 30, 2019** | **June 30, 2019** | **March 31, 2019** |
|---|---|---|---|---|---|
| Total revenues | $ | 7 | - | - | - |
| Net loss for the period | | (250) | (344) | (471) | (333) |
| Net loss per common share, basic and diluted | | (0.01) | (0.01) | (0.01) | (0.01) |

**SELECTED ANNUAL INFORMATION**

| | **December 31, 2020** | **December 31, 2019** | **December 31, 2018** |
|---|---|---|---|
| Total Revenues | $ 11,472 | 7,192 | - |
| Net Loss | 23,248,988 | 1,398,087 | 3,573,099 |
| Net Loss per Share, basic and diluted | 0.45 | 0.04 | 0.12 |
| Total Assets | 5,092,104 | 6,584,935 | 7,550,696 |
| Total Liabilities | 382,962 | 325,070 | 308,954 |

**LIQUIDITY AND CAPITAL RESOURCES**

At December 31, 2020, the Company had cash and cash equivalents of $2,135,293 and working capital of $2,648,189 as compared to December 31, 2019 when the Company had cash of $87,005 and working capital of $555,250.

To address working capital requirements for 2021, the Company has maintained cost control measures to minimize its general and administrative expenses where possible. See General and Financing for a summary of capital transactions.

For fiscal 2021, the Company will require additional financing to address capital and operating expenditures in its Nova Mentis and Pilz interests, pay general and administrative expenses and to seek out additional opportunities in the biotechnology industry to create shareholder value.

## OUTSTANDING SHARES

The following table sets forth information concerning the outstanding securities of the Company:

| | April 30, 2021 | December 31, 2020 | December 31, 2019 |
|---|---|---|---|
| Common shares | 111,137,867 | 111,137,867 | 32,131,533 |
| Warrants | - | - | 672,086 |
| Stock Options | 6,925,000 | 6,800,000 | 2,387,500 |
| Fully Diluted Shares | 118,062,867 | 117,937,867 | 35,191,119 |

## TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss for the year ended December 31, 2020 and 2019:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Consulting fees | $ | 107,500 | $ | 45,000 |
| Management fees | $ | 205,500 | $ | 188,000 |
| Accounting fees | $ | - | $ | 9,575 |
| Shareholder communications | $ | 53,000 | $ | 48,000 |
| Share-based payments | $ | 270,454 | $ | 101,149 |

These transactions were in the normal course of operations. During the year ended December 31, 2020, the Company engaged:

- The Chief Executive Officer ("CEO"), to provide management services to the Company in consideration of $155,000 (2019 - $150,000);
- The CFO to provide management services in consideration of $50,500 (2019 - $38,000 and $9,575 in accounting fees);
- A director to provide shareholder communication services for consideration of $53,000 (2019 - $48,000);
- Directors to provide consulting services for consideration of $73,750 (2019 - $45,000);
- An immediate family member of the CEO to provide consulting services for consideration of $17,500 (2019 - $nil); and
- An immediate family member of the CEO to provide consulting services for consideration of $16,250 (2019 - $17,500).

Incentive stock options were granted to key management during the year ended December 31, 2020 with a fair value of $270,454 (2019 - $101,149) estimated using the Black Scholes option pricing model.

As at December 31, 2020, accounts payable and accrued liabilities included $65,355 (2019 - $35,402) due to officers and directors or companies controlled by current or former officers and directors. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

## OFF-BALANCE SHEET ARRANGEMENTS

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

## PROPOSED TRANSACTIONS

The Company has not entered into any proposed transactions other than as disclosed under Cannabis industry and Description of Business and Activity above.

## FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows:

- Cash is classified as financial asset at FVTPL;
- Short-term investments as financial assets carried at FVTPL and are initially recorded at fair value and transaction costs are expensed in profit or loss;
- Equity instruments that are held for trading are classified as FVTPL; and
- Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the balance sheet at amortized cost.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 – Input for assets or liabilities that are not based on observable market data.

The Company's financial assets and liabilities are measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified entirely based on the lowest level of input that is significant to the fair value measurement.

The fair values of the Company's cash and accounts payable and accrued liabilities approximates the carrying amounts due to the short-term nature of these instruments.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

- Control

  Management consolidates all subsidiaries and entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- Significant influence

  Where the Company holds the largest shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. During the year ended December 31, 2020, the Company determined it does not have significant influence over Just Kush.

- Treatment of license costs

  License costs are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 Intangible Assets are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any license costs as at December 31, 2020.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The inputs used in assessing the recoverability of deferred tax assets;
- Assumptions used as inputs to calculate share-based payments; and
- Fair value of equity issuances for non-cash consideration.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the consolidated financial statements, as appropriate.

## MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

## ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company's audited financial statements for the year ended December 31, 2020.

## RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Regulatory Risks

As a Company in the cannabis industry, the activities of the Company are subject to regulation by governmental authorities in Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary. In all cases, plans moving forward and all opportunities are subject to all necessary governmental and municipal approvals being granted. This applies to both the Company and any companies in which it has investments. The Company cannot predict the time required to secure all appropriate regulatory approvals, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals could have a material adverse effect on the Company's business, results of operations and financial condition.

Change in Laws, Regulations and Guidelines

The Company's business is subject to particular laws, regulations, and guidelines. The Company intends to comply with all laws and regulations, but there is no guarantee that the governing laws and regulations will not change which will be outside of the Company's control.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Various factors will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those plans that can be funded through cash flows generated from its existing operations, which at this time are insignificant.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, limited operations and limited revenues. Also, any other investment opportunities pursued by the Company may require additional financing. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Competition

There is competition within the biotechnology industry for investments and products considered to have commercial potential. The Company will compete with other biotechnology companies, many of which have greater financial, technical and other resources than the Company, for, among other things, research and development of biotechnology products, as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

The Company may become subject to liability for risks against which it cannot insure. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

## FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; requirements for additional capital. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in prices and demand for cannabis and related products; our lack of operating history; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment or processes to operate as anticipated; regulatory and legal issues; or other risks of the cannabis industry; delays in obtaining government approvals or financing or incompletion of development activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listings of general and administrative expenses and exploration expenditures are provided in the consolidated financial statements of the Company for the year ended December 31, 2020.

## OFFICERS AND DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors and officers of the Company are as follows:

William Rascan, CEO, President and Director
Steven Feldman, Director
Jacqueline McConnell, Director
Jamie Robinson, CFO

## OUTLOOK

The Company's primary focus for the foreseeable future will be the Nova Mentis and Pilz subsidiaries. The Company plans to invest in research and development of the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes. The Company will also continue to evaluate additional investment opportunities in the health and wellness sector, biotechnology and related sectors.

## OTHER REQUIREMENTS

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com.