CSE FORM 2A LISTING STATEMENT

OPTIMIND PHARMA CORP.

(PREVIOUSLY LOON ENERGY CORPORATION)

DATED July 29, 2022

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GLOSSARY OF TERMS

The following is a glossary of certain general terms used in this Listing Statement, including the summary hereof. Terms and abbreviations used in the financial statements included in or appended to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended from time to time.

"**Acquireco**" means 1000033135 Ontario Inc., a wholly-owned subsidiary of Optimind incorporated under the OBCA for the purpose of carrying out the Amalgamation.

"**Acquired Clinic Business**" has the meaning set out under the heading "General Development of the Issuer's Business – Significant Acquisitions".

"**Acquisition Agreement**" means that agreement entered into between the Issuer, the Target and Acquireco dated November 30, 2021 and amended as of December 23, 2021, March 1, 2022 and June 29, 2022, with such acquisition constituting a reverse takeover for the Issuer.

"**Affiliate**" means a company that is affiliated with another company as described below.

A company is an "**Affiliate**" of another company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person.

A company is "**controlled**" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(c) a company controlled by that Person; or

(d) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Amalco**" means the corporation formed upon completion of the Amalgamation, renamed to "Optimind Pharma Inc.", and which is a wholly-owned subsidiary of the Issuer following the Amalgamation.

"**Amalgamation**" means the three-cornered amalgamation between the Issuer, Acquireco, and the Target, carried out in accordance with the terms of the Acquisition Agreement and the provisions

of the OBCA upon receipt of CSE Approval, resulting in the Issuer owning all of the issued and outstanding securities of the amalgamated entity.

"**Amalgamation Agreement**" means that amalgamation agreement dated July 28, 2022 between the Issuer, Acquireco, and the Target.

"**Associate**" when used to indicate a relationship with a Person, means:

(e) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(f) any partner of the Person;

(g) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; or

(h) in the case of a Person who is an individual:

(i) that Person's spouse or child, or

(ii) any relative of the Person or of his spouse who has the same residence as that Person.

"**Board**" means the board of directors of the Issuer.

"**Canada FDA**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**Cannabis Act**" means the *Cannabis Act* (Canada).

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time.

"**CDSA**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**CNO**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**Convertible Debenture**" means a convertible debenture of the Issuer carrying 10% interest per annum, payable 18 months following the commencement of trading of the Common Shares of the Issuer on the CSE, such date being the maturity date, with each Convertible Debenture convertible into a Convertible Debenture Unit upon completion of the Amalgamation at a price of $0.20 per Convertible Debenture Unit, subject to accelerated conversion if the Common Shares close higher than $0.40 per Common Share for 10 consecutive trading days on the CSE or exchange on which the Common Shares then trade.

"**Convertible Debenture Unit**" means a unit of the Issuer issuable upon conversion of a Convertible Debenture, with each unit consisting of one Common Share and 0.6 Unit Warrants.

"**Common Shares**" means the issued and outstanding common shares of the Issuer.

"**Consolidation**" has the meaning set out under the heading "Corporate Structure - Fundamental Change".

"**Continuation**" has the meaning set out under the heading " Corporate Structure - Fundamental Change".

"**CPLA**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**CPO**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**CPSO**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

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

"**CSE Approval**" means the final approval of the CSE in respect of the continued listing of the Common Shares on the CSE, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

"**Escrow Agent**" means Computershare Trust Company of Canada.

"**Escrow Agreement**" means the escrow agreement entered into by the Issuer, the Escrow Agent and certain principals of the Issuer in compliance with the requirements of the CSE, with the securities subject to such Escrow Agreement to be released as determined by the CSE.

"**HPFB**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**Issuer**" or "**Optimind**" means Optimind Pharma Corp.

"**Listing Statement**" means this listing statement of the Issuer.

"**Loon Consulting Fees**" means the $28,250 of consulting fees owed by the Issuer, which was settled for common shares at a price of $0.05 per share prior to completion of the Consolidation and the Transaction.

"**Loon Debenture**" has the meaning set out under the heading "Corporate Structure – Fundamental CHange".

"**Manitari**" means Manitari Pharma Corporation, a corporation incorporated under the CBCA.

"**MD&A**" means management's discussion and analysis.

"**Name Change**" has the meaning set out under the heading " Corporate Structure - Fundamental Change".

"**NAPRA**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**NDS**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended from time to time.

"**Option Plan**" has the meaning ascribed to it in "Options to Purchase Securities".

"**OTC**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**PDL**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**Person**" means an individual or company.

"**Pre-Consolidation Common Share**" means the Common Shares of the issuer prior to the Consolidation.

"**RPHA**" has the meaning set out under the heading "Narrative Description of the Business – Principal Products and Services Market".

"**Securities for Debt Transactions**" has the meaning set out under the heading "Corporate Structure - Fundamental Change".

"**Subscription Receipt**" has the meaning set out under the heading "Corporate Structure - Fundamental Change".

"**Subscription Receipt Financing**" has the meaning set out under the heading "Corporate Structure - Fundamental Change".

"**Target**" means Optimind Pharma Inc., as it existed prior to the Amalgamation with Acquireco.

"**Target Share**" means a common share of the Target.

"**Transaction**" means the Securities for Debt Transactions, the Subscription Receipt Financing, the Consolidation, the Continuation, the Name Change and the Amalgamation.

"**Unit Warrant**" means the Common Share purchase warrants that form part of a Convertible Debenture Unit, with each Unit Warrant exercisable for one Common Share at a price of $0.40 per Common Share for a period of two years from the issue date of the Convertible Debenture that in is underlying.

The Issuer operates a clinic that specializes in prescribing medical cannabis and other alternative treatments for various medical ailments, including ketamine-enhanced psychotherapy. The Issuer also intends on conducting research and development on psilocybin mushrooms. As of the date hereof, the Issuer is in the process of developing its business and developing its strategic plan for its clinic-based operations in the Canada.

The Canadian federal government regulates drugs through the *Controlled Drugs and Substances Act* (Canada) (the "CDSA"), which place controlled substances in a schedule. Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug.

Health Canada has not approved psilocybin as a drug for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances without a prescription.

The Issuer's operations are conducted in strict compliance with local laws where such activities are permissible and do not require any specific legal or regulatory approvals.

The Issuer does not deal with psychedelic substances except in jurisdictions where such activity is not illegal and then only within (a) laboratory or clinical trial settings and (b) in the case of ketamine, as prescribed by a licensed medical practitioner. The Issuer does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates.

The Issuer oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Issuer's senior executives and the employees responsible for overseeing compliance, the Issuer has local regulatory/compliance counsel engaged in every jurisdiction (provincial, state and local) in which it operates.

For these reasons, the Issuer may be (a) subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities, (b) susceptible to regulatory changes or other changes in law, and (c) subject to risks related to drug development, among other things. There are a number of risks associated with the business of the Issuer. See "*Risk Factors*" herein.

1. ABOUT THIS LISTING STATEMENT

Cautionary Note Regarding Forward-Looking Statements

This Listing Statement contains forward-looking statements concerning the business, operations and financial performance and conditions of the Issuer, as applicable. All statements other than statements of historical fact contained in this Listing Statement are forward-looking statements, including, without limitation, projected costs, plans and objectives of or involving the Issuer. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "might", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or similar words or the negative of these terms. Forward-looking statements relating to the Issuer include, among other things, statements relating to:

- the Issuer's expectations regarding its expenses, sales, and operations;
- the Issuer's expectations relating to the use of proceeds from the Subscription Receipt Financing;
- the Issuer's ability to execute its business plan;
- the Issuer's ability to anticipate the future needs of its customers;
- the Issuer's ability to adapt to changes in market dynamics, including business relationships and competition;
- the Issuer's plans to raise awareness of its brand through marketing and promotional activities;
- the Issuer's ability to anticipate and respond to trends and challenges in the markets in which it operates;
- the impact of federal, state, provincial, territorial and other governmental regulation on the Issuer; and
- the listing of the Common Shares on the CSE.

These statements reflect the views of the Issuer as of the date hereof with respect to future events and are based on assumptions and subject to risks and uncertainties. Although management of the Issuer believes that the assumptions underlying the statements related to Issuer are reasonable, they may prove to be incorrect. Given these risks, uncertainties, and assumptions, investors should not place undue reliance on these forward-looking statements.

While management of the Issuer believes that its plans, intentions, and expectations reflected in the forward-looking statements relating to it and its operations are reasonable, it cannot assure that these plans, intentions or expectations will be achieved. The Issuer's actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements relating to the Issuer's business contained in this Listing Statement as

a result of various factors, including the risks, uncertainties, and assumptions discussed under "*Risk Factors*", which include, but are not limited to, the following: the Issuer's limited operating history and negative operating cash flow and absence of profits; changes in market perception regarding ketamine and psilocybin, ownership and protection of intellectual property; intellectual property infringement claims; regulatory compliance; reliance on management; growth-related risks; future capital requirements; conflicts of interest; litigation risk; risks associated with COVID-19; risks associated with strategic alliances; catastrophic event risk; risks associated with technology and innovation; and an inability to implement its business strategy.

These risks, uncertainties, assumptions, and other factors could cause the Issuer's actual results, performance, achievements, and experience to differ materially from management's expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this Listing Statement relate only to events or information as of the date on which the statements are made in this Listing Statement. Except as required by law, Issuer undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read this Listing Statement and the documents incorporated by reference, with the understanding that the actual future results to the Issuer may be materially different from what is expected.

1.1 Date of Information

Unless otherwise stated, the information contained in this Listing Statement is given as of July 29, 2022.

1.2 Reporting Currencies

All dollar amounts set forth in this Listing Statement are in Canadian dollars, except where otherwise indicated. In this Listing Statement, references to "$", "dollars" or "Canadian dollar" are to Canadian dollars.

1.3 Market Data

Unless otherwise indicated, information contained in this Listing Statement concerning the industry and the market in which Issuer operates, including its general expectations, market position and market opportunity, is based on information from industry publications and reports generated by several third parties and management estimates. Estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Issuer's internal research, and are based on assumptions made by management based on such data and its knowledge of such industry and markets, which it believes to be reasonable. These industry publications and reports generally indicate that the information contained therein

was obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information.

The Issuer has not independently verified the data in such publications, reports or resources, and such information is inherently imprecise. In addition, projections, assumptions and estimates and Issuer's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "*Risk Factors*".

2. CORPORATE STRUCTURE

This Listing Statement has been prepared in connection with the Transaction and listing of the Common Shares on the CSE.

2.1 Corporate Name, Corporate Jurisdiction, and Head and Registered Office

The Issuer was incorporated pursuant under the ABCA on October 30, 2008 as "Loon Energy Corporation". On January 5, 2022, the Issuer filed articles of continuance from the Province of Alberta under the ABCA to the Province of Ontario under the OBCA. On July 27, 2022 the Issuer filed articles of amendment to effect the Consolidation and Name Change.

The Issuer has one direct subsidiary named Optimind Pharma Inc., referred to herein as Amalco. Amalco was created pursuant to the Amalgamation between the Target and Acquireco on July 28, 2022 pursuant to the OBCA. See "*Intercorporate Relationships*".

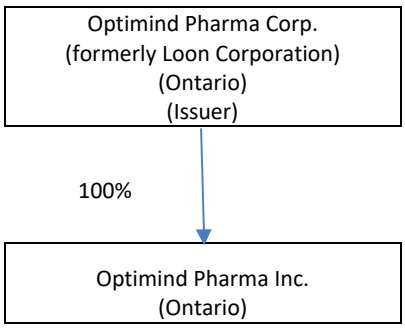
Amalco owns 40% of Manitari, a company in the business of alternative medicine treatment. Manitari is a CBCA corporation and was incorporated on January 25, 2021.

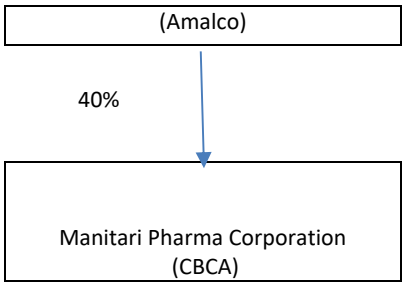
Through its subsidiary Amalco, the Issuer will continue to carry on the business of the Target, an emerging provider of psychedelic therapies.

Each of the Issuer and Amalco's head and registered office is located at 77 King Street West, Suite 3000, Toronto, Ontario, Canada, M5K 1G8. There have been no material amendments to the articles or other constating or establishing documents unless otherwise disclosed herein.

2.2 Intercorporate Relationships

The following organizational chart shows the intercorporate relationships of the Issuer:





2.3 Fundamental Change

Summary of the Transaction

The principal features of the Transaction may be summarized as set forth below:

- the Issuer continued from the ABCA to the OBCA on January 5, 2022 (the "**Continuation**");

- the Issuer completed a securities for debt transaction on June 30, 2022, in which the aggregate amount of debt of $165,167 of the Issuer was settled in satisfaction of the issuance of a secured convertible debenture (the "**Loon Debenture**") in the same amount;

- 3,567,905 Pre-Consolidation Common Shares at a deemed price of $0.05 per Pre-Consolidation Common Share were issued in settlement of the Loon Debenture and Loon Consulting Fees on July 27, 2022 (collectively, the "**Securities for Debt Transactions**");

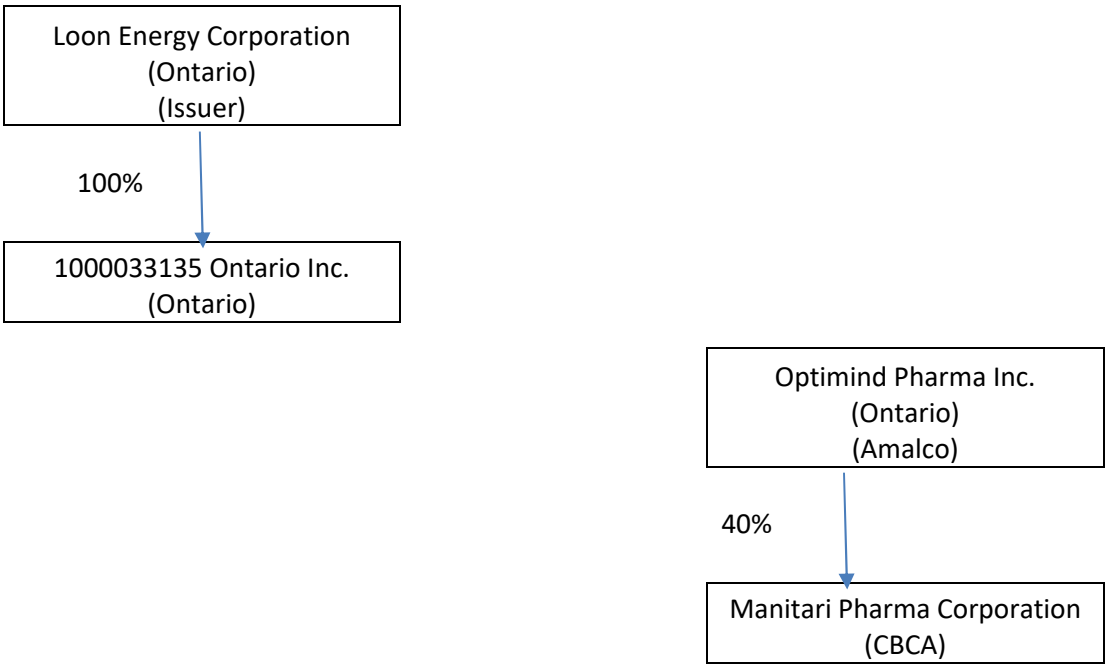
- the Issuer consolidated its Common Shares on the basis of 1.713084 Pre-Consolidation Common Shares for every one (1) Common Share (the "**Consolidation**");

- the Issuer changed its name from "Loon Energy Corporation" to "Optimind Pharma Corp." (the "**Name Change**");

- the Target completed a subscription receipt financing in which the aggregate of 507 subscription receipts (each, a "**Subscription Receipt**") were issued at a price of $1,000 per Subscription Receipt for aggregate gross proceeds of $507,000 (the "**Subscription Receipt Financing**"). Each Subscription Receipt was converted into one convertible debenture unit of the Target immediately prior to the completion of the Amalgamation, which convertible debenture unit of the Target was subsequently converted into one Convertible Debenture in connection with the Amalgamation.

- the Issuer acquired all of the issued and outstanding Target Shares pursuant to a three-corned amalgamation pursuant to the Amalgamation Agreement, whereby the Target and Acquireco amalgamated, and upon the Amalgamation, holders of Target Shares received one (1) new Common Share for every one (1) Target Share, and Amalco became a wholly-owned subsidiary of the Issuer.

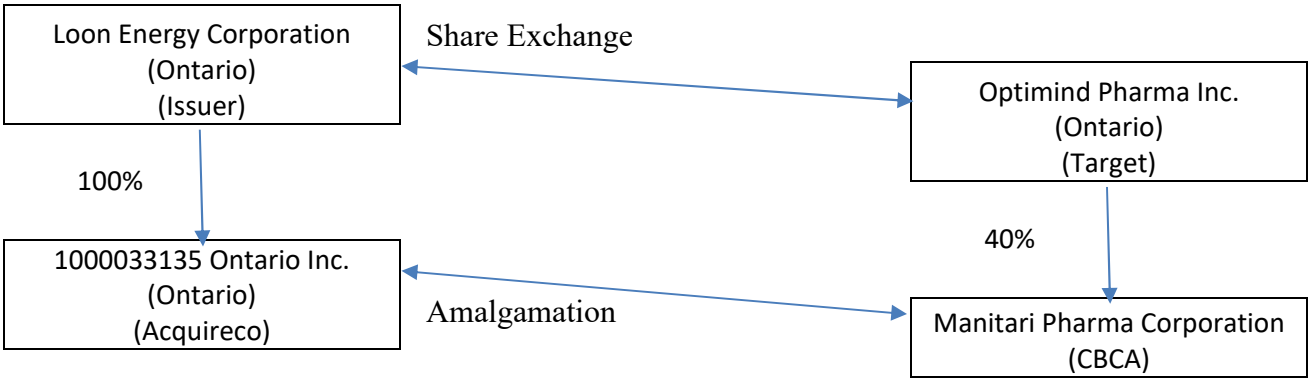
Prior to the Amalgamation



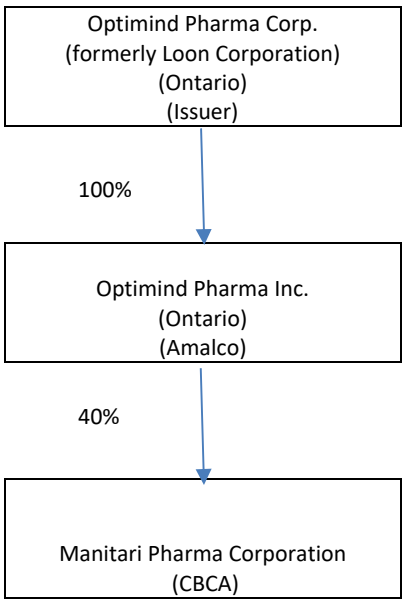
Acquireco was incorporated on November 23, 2021 under the OBCA and has its head office and registered office located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, Canada, M5K 1B7. Acquireco did not carry on any business since corporation and did not have any assets or liabilities. The corporation was incorporated solely for the purposes of participating in the Amalgamation.

<u>The Amalgamation</u>

(1) On July 28, 2022, Acquireco and the Target amalgamated to create Amalco.



(2) Amalco became a wholly-owned subsidiary of the Issuer.



Amalco became an amalgamated corporation (existing under the OBCA) and was renamed "Optimind Pharma Inc." on July 28, 2022. The address of the registered and office of Amalco is the same as the Issuer, at 77 King Street West, Suite 3000, Toronto, Ontario M5K 1G8.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Issuer's Business

The Issuer was formerly an international oil and gas exploration and development company. Immediately prior to the completion of the Transaction, the Issuer's activities consisted of the investigation and evaluation of future business opportunities. The Issuer completed the Transaction on July 28, 2022. Since then, the Issuer has carried on the business of Amalco. See "*Narrative Description of the Business*".

In April 2021, the Target received an assignment of assets from a group of individuals in exchange for 45,000,000 Target Shares at a deemed price of $0.03 per Target Share. The assets consisted of the cannabis prescription and ketamine treatment facility located at 642 Richmond St., London, ON N6A 3G6 (the "**Acquired Clinic Business**"). Since the time of acquisition, the Target ran the facility as its primary business.

On May 4, 2021, the Target and Manitari entered into an agreement (the "**Manitari Agreement**") pursuant to which the parties agreed to collaborate on research and development with regard to treating patients with alternative medicines. As part of the Manitari Agreement, the Target acquired a 40% equity interest in Manitari, and the principal shareholder of Manitari was issued 7 million common shares of the Target. In addition, the Target agreed to provide $100,000 of funding

to Manitari, which has to date been fully funded and was used by Manitari to build its facility as part of the application to Health Canada for a Controlled Substances Dealer's Licence.

On August 4, 2021, the Target completed a private placement of 13,052,008 Target Shares at a price of $0.15 per Target Share for aggregate gross proceeds of $1,957,801.

Terms of the Reverse Takeover

Immediately before closing of the Transaction (but with effect of the Subscription Receipt Financing), the Target had 66,552,008 Target Shares issued and outstanding and 507 Subscription Receipts issued and outstanding. The Issuer had 8,649,983 Common Shares issued and outstanding following the Securities for Debt Transactions and the Consolidation. Following the Amalgamation, the Issuer had 75,201,991 Common Shares issued and outstanding and principal amount $507,000 Convertible Debentures issued and outstanding. As a result, the former shareholders of the Target became the majority shareholders of the Issuer, constituting a reverse takeover transaction.

Upon the Amalgamation, the business of Amalco became the business of the Issuer. The Issuer operates a clinic that specializes in prescribing medical cannabis and is an emerging provider of psychedelic therapies. Through its services, the Issuer helps people suffering from a variety of medical ailments by prescribing cannabis or providing ketamine assisted treatment and other psychedelic-enhanced-psychotherapy modalities. The Issuer is also partnered with developers of psilocybin-associated treatments and products to further expand its treatment and program offerings.

As of the date hereof, the Issuer's officers are Tomas Sipos (Chief Executive Officer), Rakesh Malhotra (Chief Financial Officer and Secretary), and Dr. Mike Hart (Chief Operating Officer). The Board consists of Tomas Sipos, Dr. Mike Hart, Marshall I Morris and Tushar Arora.

3.2 Significant Acquisitions

In April 2021, the Target received an assignment of assets from a group of individuals in exchange for 45,000,000 Target Shares at a deemed price of $0.03 per Target Share. The assets consisted of the Acquired Clinic Business. Since the time of acquisition, the Target ran the facility as its primary business. Financial statements of the Acquired Clinic Business for the years ended December 31, 2020 and 2019 are set out in Schedule "E" to this Listing Statement. An MD&A for the Acquired Clinic Business for the year ended December 31, 2020 is set out in Schedule "F" to this Listing Statement.

3.3 Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties that management expects could impact the Resulting Issuer's business and financial condition are listed under Section 17 – Risk Factors, including cannabis and psilocybin being highly regulated industries.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

The Issuer, through its clinic located at located at 642 Richmond St., London, ON N6A 3G6, specializes in prescribing medical cannabis and other alternative treatments for various medical ailments. The Issuer prides itself on providing quality education and health care to patients. Medical cannabis has quickly become one of the most prescribed medications in Canada due to its efficacy and safety profile, which remains the primary business of the clinic.

The Issuer is also an emerging provider of psychedelic therapies at its clinic, helping people suffering from PTSD, anxiety, depression, and other mental illnesses and disabilities by providing ketamine assisted treatment and other psychedelic enhanced psychotherapy modalities.

Ketamine is currently the only legal psychedelic medicine generally available to be prescribed by health care practitioners in Canada. As existing psychedelic medicines become available for use in a therapeutic setting and novel psychedelic medicines become available, the Issuer intends to explore the use of other methods of psychedelic-enhanced psychotherapy via research, trials and obtaining the advice of experts in the relevant areas either through consulting or employment arrangements provided that such medicines are shown to be beneficial to the Issuer's then current or targeted patient population. Ketamine assisted treatment may be prescribed for depression, PTSD, and such other treatment applications as the clinician treating a patient may, in his or her professional judgement, deem advisable and supported by scientific evidence.

Through its investment in Manitari, the Issuer also engages in a collaborative licensing and R&D agreement with the Mohawk community in Quebec for the development of psilocybin products. Psilocybin is a naturally occurring psychedelic compound found in certain types of mushrooms. Psychedelic mushrooms which contain psilocybin are restricted substances and recreational use of them is prohibited in most countries. Research and development involving psilocybin in Canada can only be conducted with approval by Health Canada. In this respect, Manitari has made an application for a Controlled Substances Dealer's Licence with Health Canada.

A Controlled Substances Dealer's Licence will allow Manitari to conduct a variety of activities relating to psilocybin including research and development, intellectual property development, production of base substance materials, laboratory analysis, as well as the sale and distribution of the psychedelic compounds to authorized individuals (or their compounding pharmacies), researchers and companies undertaking clinical trials, each retaining appropriate approvals for such possession and use.

With a Controlled Substances Dealer's Licence, Manitari intends on purchasing psilocybin spores from reputable sources to study the chemistry of different strains and variable levels of alkaloid content. Manitari then plans on establishing a genetic library of disease-free psilocybe species, optimize growing techniques, assess biological markets of optimized strains, develop standardized extracts, and create testing methods for psilocybin mushrooms and extracts. Such activities may only be completed with a Controlled Substances Dealer's License, and as such the Issuer's research and development business is dependent upon Manitari receiving such license.

4.2 Business Objectives and Milestones

The following chart highlights the Issuer's business objectives that it expects to accomplish in the forthcoming 12-month period.

Objective	Estimated Costs	Timeline	Milestone
Obtain Psilocybin Dealer's License from Health Canada	$40,000	October 2022	Health Canada to issue Controlled Substances Dealer's License
Opening new clinics	$50,000	April 2023	2nd clinic opened
Production/ sales of Psilocybin	$50,000	April 2023	Production facility operational

4.3 Principal Products and Services Market

The Issuer, through its clinic located at located at 642 Richmond St., London, ON N6A 3G6, specializes in prescribing medical cannabis and other alternative treatments for various medical ailments. The Issuer prides itself on providing quality education and health care to patients nationwide. Medical cannabis has quickly become one of the most prescribed medications in Canada due to its efficacy and safety profile, which remains the primary business of the clinic. Operated by qualified physicians and nurse practitioners, among others; the clinic provides independent medical cannabis evaluations for patients. Physicians and nurse practitioners operate within the federal and applicable provincial frameworks that govern them in Canada and prescribe dosage amounts (e.g., THC-CBD ratios) and provide guidance on product composition and formats.

Authorized physicians and nurse practitioners do not refer patients to any particular products of cannabis and are compensated on per patient visit. The compensation of physicians, nurses, educators and staff of the Issuer's clinic is not determined by a patient’s product selection or ultimate purchase decision. The Issuer is also compensated through referral arrangements with licensed producers of medical cannabis. The Issuer provides direct interaction with patients to explain the legal requirements and provide education on qualities of medical marijuana that may provide positive results for particular ailments. The Issuer receives a referral fee on the patients it refers to these companies, which is the major source of revenue for the Issuer.

The Issuer also provide ketamine assisted treatment at its clinic, helping people suffering from PTSD, anxiety, depression, and other mental illnesses and disabilities. The Issuer's treatment programs are designed based on scientific research and specific modalities used in many different therapeutic practices that have existed for thousands of years. Each treatment program combines the use of psychedelic medicine with therapeutic processing and integration.

The Issuer has three steps to its ketamine treatment program:

- **Intake**: The first step in psychedelic enhanced psychotherapy is the initial consultation. This includes being assessed by a physician and a clinical psychologist in order to determine the patient's suitability to undergo ketamine-enhanced psychotherapy.

- **Treatment:** The Issuer has two different types of treatments - monotherapy and assisted-therapy, all based on a ketamine capsule. The effects are felt about 30 minutes after, and within 2 hours of taking the medicine, cognition is resorted to normal. Through assisted therapy, the patient and the therapist work together towards the desired outcome. In a monotherapy session, each treatment is followed by an assessment from one of the Issuer's physicians.

- **Heal:** The patient can expect to feel positive, uplifting effects on the first day of treatment. Antidepressant effects are common and as a result, the Issuer's treatment is useful in treatment of various health conditions.

Research and Development

As the Issuer's business spans different operational models, the Issuer relies on a variety of researchers, medical professionals, suppliers, manufacturers and service providers for the conduct of its operations. Through its 40% equity investment in Manitari, the Issuer expects to carry out research and development activities based on a collaborative licensing and R&D agreement with the Mohawk community in Quebec.

In order to develop regulated medicines, the research and development process must be conducted in strict compliance with the regulations of federal, provincial, local and regulatory agencies in Canada. These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

The status of the Controlled Substance Dealer's License from Health Canada is pending. Manitari submitted the application in September 2021. Construction of the production facility is completed and Manitari is currently responding to questions in preparation for the final audit prior to Health Canada issuing the license.

Regulation of Cannabis in Canada

On October 17, 2018, the Cannabis Act came into force as law with the effect of legalizing adult recreational use of cannabis across Canada. The Cannabis Act replaced the *Access to Cannabis for Medical Purposes Regulations and Industrial Hemp Regulations*, both of which came into force under the *Controlled Drugs and Substances Act* (the "**CDSA**"), which previously permitted access to cannabis for medical purposes for only those Canadians who had been authorized to use cannabis by their health care practitioner.

The Cannabis Act permits the recreational adult use of cannabis and regulates the production, distribution and sale of cannabis and related oil extracts in Canada, for both recreational and medical purposes. Pursuant to the Cannabis Act, subject to provincial regulations, individuals over the age of 18 are able to purchase fresh cannabis, dried cannabis, cannabis oil, and cannabis plants

or seeds and are able to legally possess up to 30 grams of dried cannabis, or the equivalent amount in fresh cannabis or cannabis oil. The Cannabis Act also permits households to grow a maximum of four cannabis plants. This limit applies regardless of the number of adults that reside in the household. In addition, the Cannabis Act provides provincial and municipal governments the authority to prescribe regulations regarding retail and distribution, as well as the ability to alter some of the existing baseline requirements of the Cannabis Act, such as increasing the minimum age for purchase and consumption.

In connection with the new framework for regulating cannabis in Canada, the federal government has introduced new penalties under the *Criminal Code* (Canada), including penalties for the illegal sale of cannabis, possession of cannabis over the prescribed limit, production of cannabis beyond personal cultivation limits, taking cannabis across the Canadian border, giving or selling cannabis to a youth and involving a youth to commit a cannabis-related offence.

On July 11, 2018, the Federal Government published regulations in the Canada Gazette to support the Cannabis Act, including the *Cannabis Regulations*, the *Industrial Hemp Regulations* along with proposed amendments to the *Narcotic Control Regulations* and certain regulations under the FDA (as hereinafter defined). These regulations, among other things, outline the rules for the legal cultivation, processing, research, analytical testing, distribution, sale, importation and exportation of cannabis and hemp in Canada, including the various classes of licences that can be granted, and set standards for cannabis and hemp products. They also maintain a distinct system for access to cannabis. With the Cannabis Act now in force, cannabis has ceased to be regulated under the CDSA and is instead regulated under the Cannabis Act, and both the *Access to Cannabis for Medical Purposes Regulations* and *Industrial Hemp Regulations* have been repealed effective October 17, 2018.

On December 20, 2018, the federal government released draft regulations to amend Schedule 4 to the Cannabis Act to add three new classes of cannabis that could be legally sold by federal licence holders and provincially and territorially authorized distributors and retailers. Those three new classes would be "edible cannabis," "cannabis extracts," and "cannabis topicals." It proposed to amend the *Cannabis Regulations* to establish new regulatory controls to address the public health and public safety risks associated with these new classes of cannabis, including their appeal to youth and the risks of accidental consumption, overconsumption, and foodborne illness, among other risks. These controls would include restrictions on product composition and ingredients, tetrahydrocannabinol (THC) limits, and new requirements pertaining to packaging and labelling, good production practices and record keeping.

On January 6, 2020, new regulations came into force in Ontario that allow for greater participation by licence holders in the Ontario cannabis retail market. The cap on the number of Ontario retail stores was eliminated and certain pre-qualification requirements were removed. Under the new regulations, the Alcohol and Gaming Commission of Ontario commenced reviewing Retail Store Authorizations applications on March 2, 2020. These new regulations also allow licence holders to open a single cannabis store at one of their production facilities in Ontario. Further, licence holders will now be permitted to increase their ownership or control of an Ontario retail operator licensee corporation from 9.9 per cent to 25 per cent.

Notwithstanding the recent changes to the legislative landscape of cannabis in Canada, the Issuer continues to operate its business in the medical cannabis field, including the prescription of medical cannabis and other alternative treatments for various medical ailments. There is a risk that broader access to cannabis in Canada may limit the prescription business of the Issuer; however, the Issuer's focus is on the medical benefits of cannabis and the corresponding market rather than the recreational cannabis market.

Regulatory Oversight of Ketamine Operations at Clinic

Each province and territory of Canada mandates the requirements for the Issuer's clinic and the conduct of medical professionals therein. 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 ketamine 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 OHIP, 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.

Health Canada has not approved psilocybin as a drug for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances without a prescription. In Canada, the federal government is responsible for regulating, among other things, the approval, import, sale and marketing of drugs such as ketamine and other psychedelic substances, whether natural or novel.

Each province and territory of Canada mandates the requirements for the operation of ketamine clinics and the conduct of medical professionals therein. Currently, the Issuer operates its clinic business in Ontario. **While the treatments that occur at the Issuer's clinic is novel in some respects, the prescription of ketamine and the dispensing of ketamine is not novel and are subject to the same restrictions as would apply to any medical professional who prescribes other controlled substances to its patients. There are no special licenses, permits, authorizations or approvals required that are different from any other ordinary course approvals required by applicable governmental authorities for any medical clinic.**

The Issuer's clinic may utilize, in addition to physicians, mid-level practitioners such as physician assistants and nurse practitioners and mental health practitioners such as psychologists and psychotherapists.

The Ontario government has authority over the delivery of health care services, including regulating health facilities, administering health insurance plans, such as OHIP, distributing prescription drugs within the province, and regulating health professionals such as doctors, psychologists, psychotherapists and nurse practitioners. The table below includes a summary of the laws applicable to the Issuer's business that it operates in Ontario, Canada.

Medical Professional	Governing Law	Regulatory Bodies
Medical Doctors	*Regulated Health Professions Act*, 1991 (Ontario) ("**RPHA**"), *Medicine Act*, 1991 (Ontario)	College of Physicians and Surgeons of Ontario ("**CPSO**")
Psychologists	RPHA, *Psychology Act*, 1991 (Ontario)	College of Psychologists of Ontario ("**CPO**")
Nurses	RPHA, *Nursing Act*, 1991 (Ontario)	College of Nurses of Ontario ("**CNO**")
Psychotherapists	RPHA, *Psychotherapy Act*, 2007 (Ontario)	College of Registered Psychotherapists of Ontario, CPSO, CPO, CNO, College of Occupational Therapists of Ontario, or Ontario College of Social Workers and Social Service Workers
Respiratory therapist	*Respiratory Therapy Act*, 1991 (Ontario)	College of Respiratory Therapists of Ontario

The Issuer's business is also governed by laws in Canada pertaining to handling, use and protection of personal health information, including the *Personal Health Information Protection Act* (Ontario) and other provincial or federal laws. These laws and related regulations grant a number of rights to individuals as to their personal health information and restrict the use and disclosure of such information. The Issuer has in place privacy practices designed to comply with these requirements and ensures that service providers having access to personal health information have entered into agreements that include appropriate protective clauses, including business associate agreements where applicable.

Research-Related Regulations

Since the Issuer's research operations will involve psilocybin, which is a controlled substance, the use of which is not yet legal in Canada, we will have to comply with the applicable regulations governing such substances including the following:

Drug Scheduling in Canada

Narcotics and controlled substances are controlled via the CDSA. All drugs on the CDSA schedules require a prescription. It is a criminal offence to possess substances scheduled under the CDSA without a prescription. The CDSA schedules generally dictate the severity of the penalty

for possessing the substance without a prescription. Drugs are scheduled based on the substance's perceived harm to society and divided into categories, or "schedules", by the government based on their potential for abuse or addiction. At present, there are 5 CDSA schedules. The CDSA schedules determine the penalty for unlawful possession. Psilocybin is currently a Schedule III drug in the CDSA.

All other drugs are regulated via the National Drug Schedules ("**NDS**"). Only drugs on Schedule I of the NDS require a prescription.

Health Canada regulates all health products in Canada, and a health product may only be sold in Canada with the permission of Health Canada. During its evaluation of the safety, efficacy and quality of each health product, Health Canada determines whether a drug should be a controlled substance, a prescription drug or a non-prescription drug. A substance may be deemed a controlled substance but also a prescription drug. Scheduling the substance in the CDSA means that there are criminal consequences to possessing the drug unlawfully. If Health Canada determines that a drug requires a prescription, it is placed on the Health Canada Prescription Drug List ("**PDL**"). Psilocybin is not currently on the PDL.

After Health Canada determines if a drug may be sold in Canada and if it requires a prescription, the individual provinces, territories and the National Association of Pharmaceutical Regulatory Authorities ("**NAPRA**") decide where it may be sold, under advisement from the National Drug Scheduling Advisory Committee. NAPRA maintains a harmonized list referred to as the National Drug Schedules. NAPRA may decide to be more restrictive in scheduling drugs, but never less restrictive than has already been determined at the federal level.

Food and Drug Act (Canada) (the "***Canada FDA***")

According to the Canada FDA, a drug includes any substance or mixture of substances manufactured, sold or represented for use in:

(i) the diagnosis, treatment, mitigation or prevention of a disease, disorder, abnormal physical state, or its symptoms, in human beings or animals;

(j) restoring, correcting or modifying organic functions in human beings or animals; or

(k) disinfection in premises in which food is manufactured, prepared or kept.

Health Canada's Health Products and Food Branch ("**HPFB**")

All new drugs must be approved by Health Canada's HPFB, prior to being sold in Canada, by going through a drug review process which consists of the following steps:

- Step 1: *Discovery and Development* - In some cases, initial discovery through tests of molecular compounds, or existing treatments that have unanticipated effects. Once a

promising compound is discovered, researchers perform initial experiments to gather data on how it works, potential benefits, best dosage and delivery method, side effects etc.

- Step 2: *Pre-clinical Research* - Laboratory and/or animal testing to gather more detailed data on dosing and potential toxicity. After Step 2, drug developers must apply to HPFB for authorization to conduct a clinical trial in Canada.

- Step 3: *Clinical Research* - Clinical trials performed on human subjects.

- Step 4: *HPFB Review* - The sponsor or drug developer files a New Drug Submission with the HPFB. This contains information and data about the drug's safety, effectiveness, and quality. It includes the results of the pre-clinical and clinical studies, details regarding the production of the drug, packaging and labelling details, and information regarding therapeutic claims and side effects. HPFB performs a thorough review of the submitted information. HPFB evaluates the safety, efficacy, and quality data to assess the potential benefits and risks of the drug. HPFB reviews the information that the sponsor proposes to provide to health care practitioners and consumers about the drug (e.g. the label, product brochure). If, at the completion of the review, the conclusion is that the benefits outweigh the risks and that the risks can be mitigated, the drug is issued a Notice of Compliance, as well as a Drug Identification Number (DIN) which permits the sponsor to market the drug in Canada and indicates the drug's official approval in Canada.

- Step 5: *Post-Market Safety Monitoring* - In addition, Health Canada laboratories may test certain biological products before and after authorization to sell in Canada has been issued. This is done through its Lot Release Process, in order to monitor safety, efficacy, and quality. Health Canada uses drug monographs to expedite review of some non-prescription drugs, if a monograph has already been established. Since psilocybin is currently a scheduled drug in the CDSA, no monograph has been established.

Obtaining Status as a Non-Prescription Drug

The HPFB of Health Canada can add or remove ingredients to the PDL, following recommendations from a Health Canada committee of scientific experts. Switching from prescription to non-prescription status can be initiated by request from a company, by submitting data regarding the drug's safety, quality, and efficacy.

Once scientific staff have recommended removal from the PDL, Health Canada conducts a 75-day consultation to gather and evaluate comments before finalizing its decision. This process is much quicker than it was prior to 2012, when a regulatory amendment was required to the Canada FDA.

There are three broad principles that Health Canada uses to determine whether a prescription should be required: (1) supervision by a practitioner is necessary for effective diagnosis, treatment, mitigation, prevention or monitoring; (2) the level of uncertainty justifies supervision; and (3) the use of the drug could cause harm or risk and this could be mitigated by the supervision of a practitioner.

In order to sell a new drug without a prescription - or over the counter ("**OTC**") - a drug must first be removed from the CDSA. It must also be approved by Health Canada as a nonprescription drug or a natural health product. It cannot be placed on the Health Canada PDL or Schedule I of the NDS.

In order for the drug to be removed from the CDSA, an amending Act or regulation must be passed by the federal government. The bill must pass both the House of Commons and the Senate before being enacted into law. There are already lobbying efforts underway for the legalization of psychedelics in Canada and, in the future, it could conceivably follow a similar path to legalization as cannabis. However, there is no guarantee that psychedelics will be legalized in Canada in the future.

Another catalyst prompting a bill to change the CDSA could come from strong scientific evidence as to increased medical benefits and decreased risks than currently contemplated by Health Canada and its recommendations for the CDSA. Scientific research using controlled substances is tightly controlled by the CDSA, but an exemption may be granted under subsection 56(1): Exemptions for Clinical or Scientific Research involving Controlled Substances. Health Canada must also then approve any clinical trials. Some limited psilocybin research is in the application process in Canada. For example, the University of Toronto at Mississauga launched a Centre for Psychedelic Studies and is working with Health Canada to obtain approval to conduct clinical trials on micro dosing psilocybin.

Other studies are currently underway in the U.S., having already obtained permission from the Drug Enforcement Agency. If the substance is removed from the CDSA, it could still be regulated by new legislation enacted in its place, as is the case with cannabis and the Cannabis Act.

Specialized Skill, Knowledge and Employees

The Issuer currently has seven consultants. The nature of the Issuer's business requires specialized knowledge and technical skill around psychedelic therapy, patient care, intellectual property protection and regulatory compliance.

Readytogo Clinic was founded in 2017 in London, Ontario, Canada. Since its inception, it has continually evolved to provide its patients with the most up to date, evidence-based treatments. The clinic became widely popular in 2017 for medical cannabis but pivoted in 2019 to provide ketamine treatment, and ketamine-assisted psychotherapy.

The clinic is dedicated to research and has been recognized for its work on multiple occasions. The clinic's lead physician, Dr. Michael Hart, has been published three times - once for his work with cannabis and twice for his work with ketamine. In the future, Readygo hopes to provide patients with psilocybin mushrooms for treatment-resistant depression and conduct medical research using psilocybin.

Intellectual Property

The Issuer does not have any registered intellectual property at this time, although this may evolve over time as the Issuer advances its research and development initiatives.

Cyclical or Seasonal Impacts

The business of psychedelic therapy and patient services is neither cyclical nor seasonal. Patient demand is based on medical need and this need is not a factor of season or markets. However, the business is subject to physician availability and the acceptance in the medical community of ketamine and other psychedelic substances as effective treatments for depression, PTSD, addiction, and other mental health conditions.

Environmental Protections

The Issuer's business does not materially impact environmental conditions. The Issuer does not expect that there will be any financial or operational effects as a result of environmental protection requirements on its capital expenditures, profit or loss, or its competitive position in the current fiscal year or in future years.

Competitive Conditions

The psychedelic therapy business in Canada is an emerging industry with high levels of competition. The Issuer's current business plan is the growth of its clinic business. The Issuer expects that, due to the urgent need for new and innovative treatments for mental health conditions and the evidence-based studies showing the impact of psychedelics as a treatment for mental health conditions, psychedelics as a treatment for these conditions will become more accepted in the medical community. As such, the Issuer expects to compete with other similar businesses as well as with individual medical professionals who undertake the prescribing and supervising of psychedelics to their patients. The Issuer expects to face intense competition from new or existing market participants, some of which may have greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Issuer.

4.4 Available Funds and Principal Purposes of Funds

The following tables set out information respecting the Issuer's sources of funds and intended uses of such funds upon completion of the Transaction. The amounts shown in the tables are estimates only and are based upon the information available to the Issuer as of the date hereof.

It is anticipated that the following funds are available to the Issuer:

Description of Funds	Amount
Working capital of Issuer as of June 30, 2022	$1,023,915

Net proceeds of Subscription Receipt Financing	$507,000
Transaction Costs	$200,000
Total	$1,330,915

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The following table sets out the principal purposes, using approximate amounts, for which the Issuer intends to use its available funds over the next 12 months.

Use of funds	**Amount ($)**
Research and development[(1)]	$100,000
Marketing	$50,000
Obtain Psilocybin Dealer's License from Health Canada	$40,000
Opening new clinics	$50,000
Production/sales of Psilocybin	$50,000
General and Administration Expenses[(2)]	$180,000
Working capital	$860,915
Total	$1,330,915

Notes:
(1) The Issuer intends to conduct research and development activities in collaboration with Manitari under the Manitari Agreement. The research and development will focus on methods of treating patients with alternative medicines, including psilocybin. Formal research and development activities will be developed upon Manitari's receipt of its Controlled Substances Dealer's Licence from Health Canada.
(2) Includes management consulting fees ($120,000); legal and accounting ($40,000); and, public company expenses ($20,000).

The Issuer intends to spend the funds available to it for the principal purposes indicated above. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary for the Issuer to achieve its objectives. It is anticipated that the available funds will be sufficient to satisfy its objectives over the next 12 months.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Financial Information

The following table sets out selected financial consolidated information for the Issuer for each period indicated below and should be considered in conjunction with the more complete information contained in the financial statements of the Issuer attached as Schedule "A". All financial information in the below table is express in United States dollars.

	Three (3) month period ended March 31, 2022 (US$) (unaudited)	Fiscal year ended December 31, 2021 (US$) (audited)	Fiscal year ended December 31, 2020 (US$) (audited)	Fiscal year ended December 31, 2019 (US$) (audited)
Statement of Revenue (Loss) Data				
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(12,863)	(137,376)	97,926	(18,973)
Balance Sheet Data				
Total assets	4,352	17,133	8,656	8,707
Total liabilities	148,969	148,887	68,814	816,368
Accumulated deficit	(19,840,699)	(19,827,836)	(19,690,460)	(19,788,386)

The following table sets forth selected financial information for the Target for the period from incorporation on December 16, 2020 to February 28, 2022, and the three month period ending May 31, 2022. Additionally provided below is selected balance sheet data as at February 28, 2022 and May 31, 2022. Such information should be read in conjunction with the financial statements attached as Schedule "C". All financial information in the below table is express in Canadian dollars.

Income Statement Data	Period from incorporation on December 16, 2020 to February 28, 2022 (Audited) ($)	Three month period ending May 31, 2022 (Unaudited) ($)
Revenue	124,612	39,997
Total operating expenses	651,137	171,587
Loss and comprehensive loss	(347,131)	(128,495)

Balance Sheet Data	As at February 28, 2022 (Audited) ($)	As at May 31, 2022 (Unaudited) ($)
Total assets	3,816,243	3,682,617
Total liabilities	776,472	771,341

The following table sets out selected financial consolidated information for the Acquired Clinic Business for each period indicated below and should be considered in conjunction with the more complete information contained in the financial statements of the Acquired Clinic Business attached as Schedule "E".

	Fiscal year ended December 31, 2020 (audited)	Fiscal year ended December 31, 2019 (audited)
Statement of Revenue (Loss) Data		
Revenue	156,356	197,989
Total Operating Expenses	137,763	187,214
Net income	16,593	9,425
Balance Sheet Data		
Total assets	121,617	115,417
Total liabilities	5,869	12,262
Total shareholders' equity	115,748	99,155

The following table sets out selected unaudited pro forma consolidated financial information for the Issuer as of May 31, 2022 (after completion of the Transaction) and should be considered in conjunction with the financial statements of the Issuer (see Schedule "A"), the financial statements of the Target (see Schedule "C"), the financial statements of the Acquired Clinic Business (see Schedule "E"), and the more complete information contained in the unaudited pro forma consolidated financial statements attached as Schedule "G" to this Listing Statement.

Balance Sheet Data	($)
Total assets	3,682,617
Total liabilities	715,943
Total shareholders' equity	2,966,674
Total liabilities and stockholders' equity	3,682,617

5.2 Dividends

There are no restrictions that could prevent the Issuer paying dividends. Any decision to pay dividends on its shares will be made by the Board on the basis of the Issuer's earnings, financial requirements and other conditions existing at such future time. It is not contemplated that any dividends will be paid in the immediate or foreseeable future following completion of the Transaction.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Issuer's MD&A for the year ended December 31, 2021 and the three (3) month period ended March 31, 2022 are attached hereto as Schedule "B".

The Target's MD&A for the period from incorporation on December 16, 2020 to February 28, 2022, and the three month period ending May 31, 2022, is attached as Schedule "D", and should be read in conjunction with the company's financial statements (see Schedule "C").

The Acquired Clinic Business's MD&A for the year ended December 31, 2020 is attached as schedule "F", and should be read in conjunction with the business' financial statements (see Schedule "E")

7. MARKET FOR SECURITIES

The Common Shares were listed and posted for trading on the NEX Board of the TSX Venture Exchange. In connection with the Transaction, the Common Shares were delisted from the NEX Board of the TSX Venture Exchange and, in accordance with the CSE Approval, are expected to be listed on the CSE on or about August 3, 2022 and will trade under the symbol "OMND".

8. CONSOLIDATED CAPITALIZATION

The following table sets out the capitalization of the Issuer as at the date of this Listing Statement:

Designation of security	**Amount authorized**	**Amount outstanding as of the date hereof**
Common Shares	unlimited	75,201,991
Convertible Debentures	N/A	Principal Amount $507,000
Common Share purchase options	10% of issued and outstanding Common Shares	nil

There has been no material change in the share capital of the Issuer since the date of the Issuer's financial statements contained in this Listing Statement.

9. OPTIONS TO PURCHASE SECURITIES

The Issuer adopted the stock option plan (the "**Option Plan**") on November 4, 2008. The Issuer currently has nil options issued and outstanding under the Option Plan.

The purpose of the Option Plan is to afford persons who provide services to the Issuer, whether as directors, officers, management, employees or otherwise, an opportunity to obtain a proprietary interest in the Issuer by permitting them to purchase Common Shares of the Issuer. The Option Plan also aims to attract qualified individuals to the Issuer and to retain and encourage the continued involvement of such persons with the Issuer.

The Option Plan is administered by the Board who will, from time to time, grant stock options to eligible participants. Directors, officers, employees and consultants of the Issuer and its subsidiaries are eligible to participate in the Option Plan.

The aggregate number of authorized but unissued Common Shares allocated and made available to be granted to eligible participants under the Option Plan may not exceed 10% (on a non-diluted basis) of the outstanding Common Shares at any time. At no time may the number of Common Shares reserved or granted under stock options exceed 10% of the aggregate number of the then issued and outstanding Common Shares. The Common Shares in respect of which stock options are not exercised are available for subsequent stock option grants. The terms of any stock options granted are for a period of time determined by the Board in its discretion, provided that the term may not exceed five years and will be subject to earlier automatic termination when the holder ceases to be an eligible participant in accordance with the terms of the Option Plan. According to the Option Plan, the exercise price of the Common Shares purchased pursuant to each option may not be less than the price permitted by any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction. The exercise price of options granted by the Issuer is determined by the Board subject to the terms of the Option Plan. The exercise price is generally either based on the closing trading price of the Issuer's shares on the day before the grant or on a higher price if the Issuer has recently undertaken a financing at such higher price.

The aggregate number of Common Shares subject to a stock option grant to an eligible participant under the Option Plan will be determined by the Board, but no participant may be granted stock options representing more than 5% of the issued and outstanding Common Shares on a non-diluted basis. The aggregate number of stock options to be granted to any consultant or any participant conducting investor relation activities shall not exceed 2% of the issued and outstanding Common Shares (on a non-diluted basis) within any 12-month period.

10. DESCRIPTION OF THE SECURITIES

10.1 Description of Securities

The Issuer's authorized share capital consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares issuable in series. As of the date hereof, the outstanding capital of the Issuer consists of 75,201,991 Common Shares and no preferred shares of the Issuer are issued and outstanding.

Common Shares

The holders of Common Shares are entitled to: dividends, if, as and when declared by the Board, to receive notice of and to vote at meetings of the shareholders of the Issuer on the basis of one vote per Common Share and, upon liquidation, to share equally in such assets of the Issuer as are distributed to the holders of Common Shares. There are no pre-emptive, redemption, purchase or conversion rights attached to Common Shares.

10.2 Prior Sales

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12-month period prior to the date of this Listing Statement:

Date issued	**Number of securities[(1)]**	**Issue price/ exercise price per security ($) [(1)]**	**Aggregate issue price ($)**	**Nature of consideration**
June 30, 2022	400,000 Stock Options for Pre-Consolidation Common Shares	$0.07 Pre-Consolidation Common Share	N/A	N/A - Grant pursuant to Option Plan
July 27, 2022	1,000,000 Pre-Consolidation Common Shares	$0.07 Pre-Consolidation Common Share	$70,000	Cash pursuant to exercise of stock options
July 27, 2022	3,331,577 Pre-Consolidation Common Shares	$0.05 Pre-Consolidation Common Share	$150,000	Convertible Debenture
July 27, 2022	236,328 Pre-Consolidation Common Shares	$0.05 Pre-Consolidation Common Share	$28,250	Settlement of consulting fees
July 28, 2022	66,552,008 Common Shares	N/A[(2)]	N/A[(2)]	Amalgamation[(2)]

Notes:

(1) In connection with the Transaction, the Issuer consolidated its issued and outstanding Common Shares on a 1.713084 to one basis.

(2) Pursuant to the Transaction, 66,552,008 Target Shares were exchanged for 66,552,008 Common Shares.

In connection with the Transaction, Target Shares were exchanged for Common Shares on a one for one basis. The following table summarizes the issuances of Target Shares or securities convertible into Target Shares for the 12-month period prior to the date of this Listing Statement:

Date issued	**Number of securities** [(1)]	**Issue price/ exercise price per security ($)**	**Aggregate issue price ($)**	**Nature of consideration**
April 27, 2021	45,000,000 Target Shares	$0.03	$1,350,000	Assignment of assets at a deemed price of $0.03 per Target Share
April 30, 2021	7,000,000 Target Shares	$0.03	$210,000	40% equity interest in Manitari
April 30, 2021	1,500,000 Target Shares	$0.03	$45,000	Management Services
August 4, 2021	13,052,008 Target Shares	$0.15	$1,957,801	Cash
February 24, 2022	507 Subscription Receipts [(1)]	$1,000	$507,000	Cash

Notes:

(1) Each Subscription Receipt was converted into a principal amount $1,000 Convertible Debenture immediately prior to the completion of the Transaction.

11. ESCROWED SECURITIES

It is expected that the following securities of the Issuer will be subject to escrow in accordance with NP 46-201 and subject to the escrow release schedule set forth therein:

Designation of class held in escrow	Number of securities held in escrow	Percentage of Common Shares[(1)]
Common Shares	5,430,000	7.2%

Notes:

(1) Based on a total of **[75,201,998]** Common Shares outstanding.

The shareholders that are subject to escrow requirements and the number of Common Shares held by each such shareholder are set out in the below table:

Name of Escrow Holder	Number of Common Shares	Percentage of Common Shares[(1)]
Tomas Sipos	2,000,000	2.7%
Dr. Mike Hart	2,900,000	3.9%
Rakesh Malhotra	400,000	0.5%
Marshall I Morris	80,000	0.1%
Tushar Arora	50,000	0.1%

Notes:

(1) Based on a total of 75,201,991 Common Shares outstanding on an undiluted basis.

Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released on the date that the Common Shares commence trading on the CSE following completion of the Transaction, followed by six (6) subsequent releases of 15% every six (6) months thereafter. The form of the Escrow Agreement must be as provided in NP 46-201. Pursuant to CSE discretion, the number of securities of the Issuer subject to escrow may be changed, including the terms and conditions of escrow.

12. PRINCIPAL SHAREHOLDERS

As at the date of this Listing Statement, no Person beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Issuer.

13. DIRECTORS AND OFFICERS

The following table lists the names and municipalities of residence of the directors and officers of the Issuer, their position(s) with the Issuer, their principal occupation over the past five (5) years,

and the number of securities of the Issuer which will be beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, position and municipality of residence	Position with the Issuer	Date appointed as director of officer of the Issuer	Principal occupation over the past five (5) years	Number of Common Shares beneficially held[(1)]	Percentage of Common Shares beneficially held[(2)]
Tomas Sipos[(3)] *(Toronto, Ontario)*	President, Chief Executive Officer and Director	July 28, 2022	Director of Predictmedix Inc., Director of DeepSpatial Inc., Chief Financial Officer at Pistil Partners Inc. and advisor	2,000,000	2.7%
Rakesh Malhotra *(Toronto, Ontario)*	Chief Financial Officer and Secretary	July 28, 2022	Chief Financial Officer at Nerds on Site Inc., Aion Therapeutic Inc., Predictmedix Inc., Binovi Technologies Inc. and DeepSpatial Inc.	400,000	0.5%
Dr. Mike Hart *(London, Ontario)*	Chief Operating Officer and Director	July 28, 2022	Chief Operating Officer of the Target and lead physician and medical director of Readytogo Medical Clinic	2,900,000	3.9%
Marshall I Morris[(3)] *(Toronto, Ontario)*	Director	July 28, 2022	Independent business consultant	80,000	0.1%

Name, position and municipality of residence	Position with the Issuer	Date appointed as director of officer of the Issuer	Principal occupation over the past five (5) years	Number of Common Shares beneficially held[(1)]	Percentage of Common Shares beneficially held[(2)]
Tushar Arora[(3)] *(Toronto, Ontario)*	Director	July 28, 2022	Senior accountant at Kushwah Accounting, analyst with BDO Canada and Tax consultant with Ernst & Young LLP	50,000	0.1%

Notes:

(1) Securities beneficially owned, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

(2) Based on an aggregate of 75,201,991 Common Shares issued and outstanding. The directors and officers of the Issuer hold an aggregate of 5,430,000 Common Shares (approximately 7.2%).

(3) Member of the Issuer's audit committee.

Management

The directors of the Issuer are Tomas Sipos, Dr. Mike Hart, Marshall I Morris and Tushar Arora. The officers of the Issuer are: Tomas Sipos (President and Chief Executive Officer), Rakesh Malhotra (Chief Financial Officer and Secretary), and Dr. Mike Hart (Chief Operating Officer). A brief description of the biographies for each of the directors and officers of the Issuer are set forth below:

Tomas Sipos (Age 60) Chief Executive Officer, President and Director

Mr. Sipos is a seasoned investment banker who understands the vast intricacies of investor relations and investment banking. He has held several senior positions throughout his career including Vice President of Mergers and Acquisitions at Ernst and Young (Toronto), Managing Director of Investment Banking at the European Privatization & Investment Corporation and Senior Investment Banker for the International Finance Corporation. Mr. Sipos presently serves as a director or DeepSpatial Inc. and Predictmedix Inc., both of which are listed on the CSE. Mr. Sipos holds a (Honors) Bachelor of Science in chemical engineering from Queen's University and a MBA from the University of Toronto, Rotman School of Business.

Mr. Sipos will devote approximately 80% of his time to the Issuer.

Dr. Mike Hart (Age 37) Chief Operating Officer and Director

Dr. Hart is well-known for his outspoken advocacy for medicinal cannabis, with both a medical degree from the Saba School of Medicine in the Netherlands Antilles (2010) and a family medicine residency from Western University (2012). He founded the first physician-led Cannabis Clinic in London Ontario. In 2016, he founded the Readytogo Medical Clinic and remains their lead physician and medical director, bringing both that clinic's Ketamine treatments and his experience to Optimind Pharma Inc.

Dr. Hart will devote approximately 80% of his time to the Issuer.

Rakesh Malhotra (Age 65) Chief Financial Officer and Secretary

Mr. Malhotra's principal occupation is a US certified public accountant (CPA) and a Canada Public Accountant (CPA, CA). He presently serves as a Chief Financial Officer of Nerds on Site Inc. (TSXV:NERD), a Chief Financial Officer of Aion Therapeutic Inc. (CSE; AION), a Chief Financial Officer of Predictmedix Inc. (CSE:PMED; OTCQB:PMEDF), a Chief Financial Officer of Binovi Technologies Inc. (TSXV: VISN) and a Chief Financial Officer of DeepSpatial Inc. (CSE:DSAI; OTCQB:DSAIF). He also serves as a consultant to various public companies listed across Canada and the USA. In addition to the accreditations mentioned above, Mr. Malhotra holds his Bachelor of Commerce (Honors) from the University of Delhi.

Mr. Malhotra will devote approximately 25% of his time to the Issuer.

Marshall I. Morris (Age 61) Director

Mr. Morris is a supply chain executive with over 20 years of diverse leadership experience in logistics, operations and executive management. Mr. Morris has specialized experience in quality and cost control, human resource and asset management, transportation management, customer service and information technology. Mr. Morris currently serves as an independent business consultant for numerous companies and formerly served as an executive vice president of customer satisfaction and information technology for Mcgraw-Hill Ryerson, Limited.

Mr. Morris will devote approximately 10% of his time to the Issuer.

Tushar Arora (Age 33) Director

Mr. Arora is a chartered accountant and member of the Institute of Chartered Accountants of India. Mr. Arora currently works as a senior accountant at Kushwah Accounting and is experienced in preparing financial statements and filing tax returns for non-profit and for profit entities pursuant to Canadian taxation laws. Mr. Arora previously worked with BDO Canada LLP and Ernst & Young LLP where he specialized in transfer pricing and international taxation.

Mr. Arora will devote approximately 10% of his time to the Issuer.

Audit Committee

Composition of the Audit Committee and Audit Committee Charter

The Issuer will have an audit committee consisting of the following members: Tushar Arora, Marshall I. Morris and Tom Sipos. A copy of the Issuer's Audit Committee Charter is attached as Appendix "A" to the Issuer's management information circular dated December 8, 2020, and is available on the Issuer's SEDAR profile.

Relevant Education and Experience

Each audit committee member has had extensive experience reviewing financial statements. Additionally, each member has an understanding of the Issuer's business and an appreciation for the relevant accounting principles for that business.

Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

Other than as disclosed herein, during the past ten (10) years, none of the proposed directors, officers or promoters of the Issuer or any security holder anticipated to hold a sufficient number of securities of the Issuer to affect materially the control of the Issuer, was a director, officer or promoter of any other person or company that was, while that person was acting in that capacity: (a) the subject of a cease trade order or similar order or an order that denied the other issuer access to any exemptions under applicable securities law for a period of more than 30 consecutive days, or (b) 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.

On July 2, 2019 a cease trade order was issued against Rakesh Malhotra under Section 164(1) of the *Securities Act,* R.S.B.C. 1996, C.418 until Eyecarrot Innovations Corp., an issuer for which Mr. Malhotra is an insider, filed the required records and the cease trade order was revoked. Eyecarrot Innovations Corp. has since addressed all of the outstanding filing deficiencies and the cease trade order was revoked on September 16, 2019.

Pacific Copper Corp. ("**Pacific Copper**") is an OTC reporting issuer under Multilateral Instrument 51-105 – *Issuers Quoted in the U.S. Over-the-Counter Markets* ("**MI 51-105**"). On October 11, 2012, the British Columbia Securities Commission ordered that all trading in the securities of Pacific Copper cease in British Columbia until it files interim financial statements and MD&A for the interim period ended July 31, 2012, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and MI 51-105. Rakesh Malhotra subsequently left Pacific Copper in 2013.

None of the proposed directors, officers or promoters of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities

regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

During the past ten (10) years, none of the proposed directors, officers or promoters of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such Persons has, has 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 the director, officer or promoter.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Issuer also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under OBCA.

Other Reporting Issuer Experience

The following proposed directors, officers or promoters of the Issuer are, or within the past five (5) years have been, directors, officers or promoters of the following reporting issuers (other than the Issuer).

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
Tomas Sipos	Predictmedix Inc.	CSE; OTCQB	Director	September 2019 to present
	DeepSpatial Inc.	CSE; OTCQB	Director	December 2020 to present
Rakesh Malhotra	Nerds on Site Inc.	CSE; OTCQB	Chief Financial Officer	December 2017 to present
	Aion Therapeutic Inc.	CSE	Chief Financial Officer	December 2018 to present

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
	Predictmedix Inc.	CSE; OTCQB	Chief Financial Officer	September 2019 to present
	Security Devices International, Inc.	CSE; OTCQB	Chief Financial Officer	January 2007 to November 2019
	Binovi Technologies Inc.	TSX-V; OTCQB	Chief Financial Officer	January 2019 to present
	DeepSpatial Inc.	CSE; OTCQB	Chief Financial Officer	December 2020 to present
	Infrastructure Materials Corp.	TSX-V	Chief Financial Officer	October 2009 to December 2018

14. CAPITALIZATION

Issued Capital of the Issuer

The following is provided as of the date of this Listing Statement.

	Number of Securities (non-diluted)	Number of Securities (diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	75,201,991	79,257,991	100%	100%
Held by Related Persons[(1)] (B)	27,717,500	27,717,500	36.9%	35%
Total Public Float (A-B)	47,484,498	51,540,498	63.1%	65%
Freely-Tradeable Float				
Number of outstanding securities subject to resale	5,430,000	5,430,000	7.2%	6.9%

restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)				
Total Tradeable Float (A-C)	69,771,998	73,827,998	92.8%	93.1%

Notes:
(1) Related Persons or employees of the Resulting Issuer, or persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held).

Public Securityholders (Registered) of the Issuer

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
1-99 securities	5	66
100-499 securities	6	1,655
500-999 securities	1	512
1,000-1,999 securities	2	3,465
2,000-2,999 securities	1	2,744
3,000-3,999 securities	0	0
4,000-4,999 securities	0	0
5,000 or more securities	118	65,638,067

Public Securityholders (Beneficial) of the Issuer

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
1-99 securities	77	3,045
100-499 securities	93	20,604
500-999 securities	42	28,948
1,000-1,999 securities	21	28,084
2,000-2,999 securities	13	31,987
3,000-3,999 securities	3	10,500
4,000-4,999 securities	2	8,475
5,000 or more securities	31	1,152,807

15. EXECUTIVE COMPENSATION

Consulting and employment agreements, together with the final terms of these agreements, are under discussion. Final agreements are expected to include executive compensation and confidentiality provisions. Specific details related to the executive compensation of the Issuer will be prepared in accordance with Form 51-102F6V of National Instrument 51-102 – *Continuous Disclosure Obligations*, which will be included in the Issuer's management information circular to be made available on SEDAR at www.sedar.com.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or other senior officer of the Issuer or Person who acted in such capacity in the last financial year of Issuer, or any Associate of any such director or officer is, or has been, indebted to Issuer nor has any such Persons indebtedness to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or a subsidiary thereof.

17. RISK FACTORS

The Issuer carries on the business of Amalco. The business is subject to a number of risks as outlined herein. Shareholders should carefully consider, in addition to the other information contained in this Listing Statement, the risks and uncertainties described herein. While this Listing Statement has described the risks and uncertainties that management of Issuer believe to be material to its business, it is possible that other risks and uncertainties affecting the Issuer's

business will arise or become material in the future. If the Issuer is unable to effectively address these and other potential risks and uncertainties following the date hereof, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Common Shares could decline and you could lose all or part of your investment.

No representation is or can be made as to the future performance of the Issuer and there can be no assurance that the Issuer will achieve its objectives. Readers should not rely upon forward-looking statements as a prediction of future results.

Risks Related to the Issuer

An investment in the Issuer's Common Shares is speculative

An investment in the Common Shares and the Issuer's prospects generally are speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment and should carefully consider the risk factors described below. The risks described below are not the only ones faced by the Issuer. Additional risks not currently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the Issuer's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below actually occur, then the Issuer's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and consult with their professional advisors to assess any investment in the Issuer.

Forward-looking statements may prove to be inaccurate

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this Listing Statement under the heading "*Forward-Looking Statements*".

Future issuances or actual or potential sales of securities

The issuance by the Issuer of Common Shares or other securities convertible into Common Shares could result in significant dilution in the equity interest of existing shareholders and adversely affect the market price of the Common Shares. In addition, in the future, the Issuer may issue additional Common Shares or securities convertible into Common Shares, which may dilute existing shareholders. Shareholders will have no pre-emptive rights in connection with such further issuances. Also, additional Common Shares may be issued by the Issuer upon the exercise of stock options and upon the exercise or conversion of other securities convertible into Common Shares. The issuance of these additional equity securities may have a similar dilutive effect on then existing holders of Common Shares.

The market price of the Common Shares could decline as a result of future issuances by the Issuer, including issuance of shares issued in connection with strategic alliances, or sales by its existing holders of Common Shares, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for the Issuer to sell equity securities at a time and price that it deems appropriate, which could reduce its ability to raise capital and have an adverse effect on its business.

Negative operating cash flow and going concern

The Target, which now makes up the business of the Issuer, has negative cash flow from operating activities and has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Issuer has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Issuer will be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Issuer as those previously obtained, or at all. The Issuer's ability to successfully raise additional capital and maintain liquidity may by impaired by factors outside of its control, such as a shift in consumer attitudes towards certain therapeutic methods or a downturn in the economy.

Any inclusion in the Issuer's financial statements of a going concern opinion may negatively impact the Issuer's ability to raise future financing and achieve future revenue. The threat of the Issuer's ability to continue as a going concern will be removed only when, in the opinion of the Issuer's auditor, the Issuer's revenues have reached a level that is able to sustain its business operations. If the Issuer is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Issuer may be forced to sell a portion or all of the Issuer's assets, or curtail or discontinue the Issuer's operations. If any of these events happen, you could lose all or part of your investment. The Issuer's financial statements do not include any adjustments to the Issuer's recorded assets or liabilities that might be necessary if the Issuer becomes unable to continue as a going concern.

Discretion over the Available Funds

The Issuer will have discretion concerning the use of its available funds as well as the timing of their expenditures, and may apply the cash resources in ways other than as described under "*Available Funds and Principal Purposes of Funds*". As a result, an investor will be relying on the judgment of the Issuer for the application of the available funds. The Issuer may use the available funds in ways that an investor may not consider desirable. The results and the effectiveness of the application of the available funds are uncertain. If the available funds are not applied effectively, the Issuer's business, prospects, financial position, financial condition or results of operations may suffer.

Unpredictability and volatility of the Common Shares

Publicly-traded securities, such as those of the Issuer, will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to a variety of factors, including the following: actual or anticipated fluctuations in the Issuer's quarterly results of operations; recommendations by securities research analysts; changes in the economic performance or market valuations of companies in the industry in which the Issuer operates; additions or departures by the Issuer's executive officers and other key personnel; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Issuer or its competitors; operating and share price performance of other companies that investors deem comparable to the Issuer; and news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Issuer's industry or target markets.

In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Common Shares. Accordingly, prospective purchasers may not be able to sell their Common Shares at the prices they want or believe to be reasonable.

Risks Related to the Issuer's Financial Position and Need for Additional Capital

The Issuer expects to incur future losses and may never become profitable

The Target has historically incurred losses and as such the Issuer expects to incur an operating loss for the year ending December 31, 2021. The Issuer believes that operating losses will continue as it is planning to incur significant costs associated with the expansion of its clinic locations and its research and development initiatives. The Issuer's net losses have had and will continue to have an adverse effect on, among other things, shareholders' equity, total assets and working capital. The Issuer expects that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. The Issuer cannot predict when it will become profitable, if at all.

The Issuer will require additional capital to finance its operations, which may not be available to the Issuer on acceptable terms, or at all.

As a clinic operator and service provider and a research and development company, the Issuer expects to spend substantial funds to continue these initiatives. Therefore, for the foreseeable future, the Issuer will have to fund all of its operations and development expenditures from cash on hand, equity financings, through collaborations with other companies or through financings from other sources. If it does not succeed in raising additional funds on acceptable terms, the Issuer might not be able to complete its planned expansion of its clinic locations or its research and development initiatives. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of the Issuer's corporate goals, the results of operations, the ability to obtain regulatory approvals

(where applicable) and the state of the capital markets generally and with particular reference to psychedelics companies. If adequate funding is not available, the Issuer may be required to delay, reduce or eliminate certain operations, or obtain funds on less favourable terms than the Issuer would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Issuer's intangible assets and its ability to continue its plans may become impaired, and the Issuer's assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

Risks Related to the Issuer's Business and Industry

Novel Coronavirus

The novel coronavirus commonly referred to as "COVID-19" was identified in December 2019 in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. The outbreak has spread throughout Europe, the Middle East and North America, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. There have been a number of COVID-19 variants of concern that have been identified and more variants of concern may develop in the future, which may further affect the Issuer's business and its ability to plan ahead. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Issuer and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID- 19 could impact the Issuer's operations, could cause delays relating to government approvals, could postpone research activities, and could impair the Issuer's ability to raise funds depending on COVID-19's effect on capital markets.

The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Issuer has continuously sought to assess the potential impact of the pandemic on its operations, any assessment is subject to extreme uncertainty as to probability, severity and duration. The Issuer has attempted to assess the impact of the pandemic by identifying risks in the following principle areas:

- Mandatory Closure. In response to the pandemic, many provinces, territories and localities have implemented mandatory shut-downs of business to prevent the spread of COVID-19. In the locations where the Issuer operates or conducts research activity, these activities have been deemed an "essential service", and thus not subject to the mandatory closures applicable to non-essential businesses. If required, the Issuer will work with governmental authorities to seek temporary measures that allow it to remain operational, however, there is no guarantee that the Issuer will be permitted to remain operational. The Issuer's ability to generate

revenue and meet its milestones could be materially impacted by any shut down of operations or services.

- Patient Impact. If its patients or potential patients become ill with COVID-19, they may be forced to quarantine, decide to self-quarantine or not to visit its clinic to observe "social distancing", it may have a material negative impact patient acquisition and retention as well as revenues while the pandemic continues.

- Staffing Disruption. The Issuer is, for the time being, implementing among its staff where feasible "social distancing" measures recommended by local authorities. The Issuer has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work on-site, measures have been implemented to reduce infection risk, such as reducing contact with patients, mandating additional cleaning and hand disinfection and providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Issuer may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to come to work on their own volition to avoid infection.

The Issuer is actively addressing the risk to business continuity represented by each of the above factors through the implementation of a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a material impact on the Issuer's ability to generate revenue.

Risks associated with failure to achieve its publicly announced milestones according to schedule, or at all

From time to time, the Issuer may announce the timing of certain events it expects to occur, such as the anticipated timing of future clinics becoming operational and research and development updates. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. These variations in timing may occur as a result of different events, beyond the Issuer's control having the effect of delaying the publicly announced timeline. The Issuer undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of the Common Shares.

Cannabis and Psilocybin Industry

The Issuer is operating its business in a relatively new industry and market. In addition to being subject to general business risks, the Issuer must continue to build awareness in this industry through investments in its strategy and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or

anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis or psilocybin industry, such as the legality of products and services, the imposition of restrictions on sales and marketing or restrictions on sales in certain areas, could have a material adverse effect on the Issuer's business, financial conditions and results of operations.

Cannabis Regulations

The adult-use and medical cannabis industries and markets are subject to a variety of laws in Canada and internationally.

The business and activities of the Issuer are heavily regulated. The Issuer's operations are subject to various laws, regulations and guidelines by governmental authorities relating to health and safety, healthcare practitioner services, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Issuer, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Issuer's products and services.

To the knowledge of management, the Issuer is currently in compliance under the Cannabis Act. Failure to comply with the laws and regulations applicable to its operations may lead to possible sanctions; the suspension or expulsion from a particular market; and, the imposition of fines and censures. To the extent that there are changes to the existing or the enactment of future laws and regulations that affect the sale or offering of the Issuer's product or services in any way it may have a material adverse effect on the Issuer's business, financial condition and results of operations. Any amendment to or replacement of the Cannabis Act or other applicable rules and regulations governing the Issuer's activities may cause adverse effects on the Issuer's business, financial condition and results of operations.

There is also a risk that the Issuer's interpretation of laws, regulations and guidelines, including, but not limited to the associated regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of governmental authorities, securities regulators and exchanges, and the Issuer's operations may not be in compliance with such laws, regulations and guidelines.

Achievement of the Issuer's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Issuer may significantly delay or impact the development of the Issuer's business and operations and could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risks related to regulatory changes of psilocybin

In Canada, psilocybin is classified as a Schedule III drug and ketamine as a Schedule I drug under the CDSA. All activities involving such substances by or on behalf of the Issuer are conducted in

accordance with applicable federal, provincial, and local laws. While the Issuer is focused on programs using ketamine and psychedelic inspired compounds, the Issuer does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws the jurisdictions in which the Issuer operates 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 Issuer operates, or private citizens or criminal charges.

Any changes in applicable laws and regulations could have an adverse effect on the Issuer's operations. The psychedelic drug industry is a fairly new industry and the Issuer cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Issuer cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Issuer.

The success of the Issuer's business is dependent on its activities being permissible under applicable laws and any reform of controlled substances laws or other laws may have a material impact on the Issuer's business and success. There is no assurance that activities of the Issuer will continue to be legally permissible.

Reliance on Manitari and third parties

The Issuer relies on Manitari to conduct its research and development activities. The Issuer owns 40% of the issued and outstanding voting securities of Manitari, which is a non-controlling stake. Mantitar activities will be guided by a majority of the voting shareholders of Manitari, and the Issuer may or may not form part of such majority for the future decisions of Manitari. The Issuer is also reliance on certain third parties in its research and development. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Issuer's active development programs will face delays. Further, if any of these third parties fails to perform as the Issuer expects or if their work fails to meet regulatory requirements, the Issuer's testing could be delayed, cancelled or rendered ineffective.

Approval of Controlled Substance Dealer's License

Manitari has made an application for a Controlled Substance Dealer's License with Health Canada. Such license will allow Manitari to conduct a variety of activities relating to psilocybin including research and development, intellectual property development, production of base substance materials, laboratory analysis, as well as the sale and distribution of thepsychedelic compounds to authorized individuals (or their compounding pharmacies), researchers and companies undertaking clinical trials, each retaining appropriate approvals for such possession and use. If a Controlled Substance Dealer's License is not granted to Manitari, or is granted but with restrictive terms, it

would be a substantial impairment the research and development business of Manitari and the Issuer.

Violations of laws and regulations could result in repercussions

Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug. The Issuer's operations are conducted in strict compliance with the laws and regulations regarding its activities with such substances. As such, all facilities engaged with such substances by or on behalf of the Issuer do so under current licenses, permits and approvals, as applicable, issued by appropriate federal, provincial, state and local governmental agencies. While the Issuer is focused on programs using ketamine and psychedelic inspired compounds, the Issuer does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws and regulations, such as the CDSA, or of similar legislation in the jurisdictions in which it operates, 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 Issuer operates, or private citizens or criminal charges. Any such violations could have an adverse effect on the Issuer's operations.

Risks Related to Third Party Relationships

The Issuer has entered into agreements with third parties with respect to its operations. Such relationships could present unforeseen obstacles or costs and may involve risks that could adversely affect the Issuer, including significant amounts of management time that may be diverted from operations in order to pursue and maintain such relationships. There can be no assurance that such third parties will achieve the expected benefits to the Issuer's business or that the Issuer will be able to consummate any future relationships on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Issuer's business, financial condition and results of operations. Any violation of any applicable laws and regulations, such as the CDSA, or of similar legislation in the jurisdictions in which it operates, could result in such third parties suspend or withdraw their services to the Issuer. The termination or cancellation of any such agreements or the failure of the Issuer and/or the other parties to these arrangements to fulfill their obligations could have a material adverse effect on the Issuer's business, financial condition and results of operations. In addition, disagreements between the Issuer and any of third parties the Issuer contracts could lead to delays or time consuming and expensive legal proceedings, which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Competitive Conditions

The psychedelic therapy business in Canada is an emerging industry with high levels of competition. The Issuer expects that, due to the urgent need for new and innovative treatments for mental health conditions and the evidence-based studies showing the impact of psychedelics as a treatment for mental health conditions, psychedelics as a treatment for these conditions will become more accepted in the medical community. As such, the Issuer expects to compete with other similar businesses as well as with individual medical professionals who undertake the

prescribing and supervising of psychedelics to their patients. While the Issuer is an early entrant to the psychedelic-enhanced psychotherapy market in Canada, more market participants will emerged. The Issuer expects to face intense competition from new or existing market participants, some of which may have greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Issuer.

Negative results from studies of others and adverse safety events involving psychedelics may have an adverse impact on the Issuer's future commercialization efforts

From time to time, studies or clinical trials on various aspects of psychedelics may be conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to psychedelics could adversely affect the Issuer's clinical operations, research, share price and ability to finance future operations.

The Issuer heavily relies on the capabilities and experience of its key executives and personnel and the loss of any of them could have a material adverse impact on the Issuer

The loss of the Issuer's executive officers or other key members of the Issuer's staff, could harm the Issuer. The Issuer also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Issuer. In addition, the Issuer believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Issuer expands its operations. The Issuer enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Issuer also enters into agreements with physicians in the ordinary course of its business. Notwithstanding these arrangements, the Issuer faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Issuer cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Issuer's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

The Issuer's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business

The Issuer is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards the Issuer has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Issuer. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other

abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Issuer's reputation. If any such actions are instituted against the Issuer, and the Issuer is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Issuer's business and results of operations, including the imposition of substantial fines or other sanctions.

The Issuer may expand its business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt the Issuer's business and harm its financial condition

The Issuer has in the past and may in the future seek to expand its pipeline and capabilities by acquiring one or more companies or businesses or entering into collaborations. Acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting the Issuer's management's attention away from other business concerns; entering markets in which the Issuer has limited or no direct experience; and potential loss of the Issuer's key employees or key employees of the acquired companies or businesses.

The Issuer's management has experience in making acquisitions and entering collaborations; however, the Issuer cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. The Issuer may incorrectly judge the value or worth of an acquired company or business. In addition, the Issuer's future success depends in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. The Issuer cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of the Issuer's business may require a substantial capital investment by the Issuer.

Risks associated with drug development

Given the early stage of the Issuer's product development, the Issuer can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Issuer, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Issuer currently has no products that have been approved by Health Canada or any similar regulatory authority. To obtain regulatory approvals for its products being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy.

The Issuer faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete the Issuer's cash resources

If and when the Issuer develops any product, it would be exposed to the risk of product liability claims alleging that use of its product caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of a product and may be made directly by patients involved in clinical trials of its product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling its products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product moves through the development pipeline to commercialization. The Issuer currently maintains what it views as sufficient liability insurance coverage for its current operations; however, there can be no assurance that such insurance coverage is or will continue to be adequate or available to the Issuer at a cost acceptable to it or at all. The Issuer may choose or find it necessary to increase its insurance coverage in the future. The Issuer may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of its coverage, require the Issuer to pay a substantial monetary award from its own cash resources and have a material adverse effect on its business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about its products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

Intellectual Property

Failure to obtain or register trademarks used or proposed to be used in the Issuer's business could require the Issuer to rebrand, resulting in a material adverse impact on its business. If the Issuer is unable to register or, if registered, maintain effective patent rights for its product candidates, the Issuer may not be able to effectively compete in the market. If the Issuer is not able to protect its proprietary information and know-how, such proprietary information may be used by others to compete against the Issuer. The Issuer may not be able to identify infringements of its patents (if and when granted), and, accordingly, the enforcement of its intellectual property rights may be difficult. Once such infringements are identified, enforcement could be costly and time consuming. Third party claims of intellectual property infringement, whether or not reasonable, may prevent or delay the Issuer's development and commercialization efforts.

The Issuer's success will depend in part upon its ability to protect its intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection the Issuer receives. The ability to compete effectively and to achieve partnerships will depend on its ability to develop and maintain proprietary aspects of the Issuer's technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit its ability to develop and commercialize its products and to conduct its existing research, and could require financial resources to defend litigation, which may be in excess of the Issuer's ability to raise such funds.

To the extent the Issuer's intellectual property offers inadequate protection, or is found to be invalid or unenforceable, the Issuer will be exposed to a greater risk of direct competition. If its intellectual property does not provide adequate protection against the Issuer's competitors, its competitive position could be adversely affected, as could the Issuer's business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect the Issuer's intellectual property rights to the same extent as do the laws of Canada. The Issuer will be able to protect its intellectual property from unauthorized use by third parties only to the extent that its proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights, including patents, or are effectively maintained as trade secrets, and provided the Issuer has the funds to enforce its rights, if necessary.

Risks Related to the Issuer's Common Shares

Inadequate internal controls may result in reporting failure

If the Issuer fails to maintain an effective system of internal controls, the Issuer might not be able to report its financial results accurately or prevent misstatement; and in that case, the Issuer's shareholders could lose confidence in its financial reporting, which would harm its business and could negatively impact the value of its shares. While the Issuer believes that it has sufficient personnel and review procedures to allow it to maintain an effective system of internal controls, there can be no assurance that the Issuer will always successfully detect misstatements or implement necessary improvements in a timely fashion.

There is no assurance of an active or liquid market

No assurance can be given that an active or liquid trading market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such securities trade may be adversely affected. Whether or not the Common Shares will trade at lower prices depends on many factors, including the liquidity of the Common Shares, prevailing interest rates, the markets for similar securities, general economic conditions and the Issuer's financial condition, historic financial performance and future prospects.

Public markets and share prices

The market price of the Common Shares on the CSE could be subject to significant fluctuations in response to variations in the Issuer's operating results or other factors. In addition, fluctuations in the stock market may adversely affect the market price of the Common Shares that may become listed and posted for trading on the CSE or any other stock exchange regardless of the operating performance of the Issuer. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the operating performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares.

Additional issuances and dilution

The Issuer may issue and sell additional securities to finance its operations. The Issuer cannot predict the size or type of future issuances of its securities or the effect, if any, that future issuances and sales of securities will have on the market price of any of its securities issued and outstanding from time to time. Sales or issuances of substantial amounts of the Issuer's securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Issuer's securities issued and outstanding from time to time. With any additional sale or issuance of the Issuer's securities, holders will suffer dilution with respect to voting power and may experience dilution in the Issuer's earnings per share.

18. PROMOTER

No Person or company will be a promoter of the Issuer, or has been within the two (2) years immediately preceding the date of this Listing Statement, a promoter of the Issuer or a subsidiary of the Issuer.

19. LEGAL PROCEEDINGS

Except as disclosed herein, neither the Issuer no any subsidiary, was previously a party to, or was the subject of, any legal proceeding nor is the Issuer or its subsidiary currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. Additionally, to the knowledge of the Issuer's management and its subsidiaries, there are no such proceedings contemplated. From time to time, Issuer may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Issuer is not currently aware of any legal proceedings contemplated against the Issuer.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of management, no proposed director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owners of, or who exercises control or direction over, more than ten percent (10%) of any class of the Issuer's outstanding voting securities, or an Associate or Affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any transaction within the three (3) years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or its subsidiaries.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Issuer is Harbourside CPA LLP. Its office is located at 1185 W Georgia St Suite 1140, Vancouver, BC V6E 4E6.

Computershare Trust Company of Canada, through its principal office in Toronto, Ontario, is the transfer agent and registrar of the Issuer.

22. MATERIAL CONTRACTS

Except for the Escrow Agreement, the Manitari Agreement and the Acquisition Agreement, the Issuer has not entered into any material contracts within two (2) years preceding the date of this Listing Statement. Copies of such agreements will be available during ordinary business hours for a period of 30 days following the date of this Listing Statement at the Issuer's head office (77 King Street West Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8).

23. INTEREST OF EXPERTS

The auditor has not, nor is entitled to receive, any registered or beneficial interest, direct or indirect, in the property of the Issuer and neither is expected to own any securities of the Issuer or any Associate, Affiliate, or Related Person (as defined by the policies of the CSE) of the Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts regarding the Issuer or its Subsidiaries other than as disclosed herein.

25. FINANCIAL STATEMENTS

See Schedule "A" for the Issuer's audited financial statements for the years ended December 31, 2021, December 31, 2020 and December 31 2019, and the unaudited interim financial statements for the three (3) month period ended March 31, 2022.

See Schedule "B" for the Issuer's MD&A for the year ended December 31, 2021 and the three (3) month period ended March 31, 2022.

See Schedule "C" for Optimind Pharma Inc.'s audited financial statements for the period from incorporation on December 16, 2020 to February 28, 2022, and the unaudited financial statements for the three month period ending May 31, 2022.

See Schedule "D" for Optimind Pharma Inc.'s MD&A for the period from incorporation on December 16, 2020 to February 28, 2022, and the three month period ending May 31, 2022.

See Schedule "E" for the Acquired Clinic Business' audited financial statements for the years ended December 31, 2020 and December 31 2019.

See Schedule "F" for the Acquired Clinic Business' MD&A for the year ended December 31, 2020.

See Schedule "G" for a copy of the Issuer's pro forma consolidated financial statements.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Optimind Pharma Corp. hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Optimind Pharma Corp. 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 at Toronto, Ontario this 29th day of July, 2022.

/s/ "Tomas Sipos"	*/s/ "Rakesh Malhotra"*
Chief Executive Officer	Chief Financial Officer
/s/ "Marshall I Morris"	*/s/ "Tushar Arora"*
Director	Director

SCHEDULE "A"
FINANCIAL STATEMENTS OF THE ISSUER

LOON ENERGY CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

US$

Management's Report

The Consolidated Financial Statements of Loon Energy Corporation and related financial information were prepared by,and are the responsibility of Management. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Consolidated Financial Statements and related financial information reflect amounts which must, of necessity be based upon informed estimates and judgments of Management with appropriate consideration to materiality. The Company has developed and maintains systems of controls, policies and procedures in order to provide reasonable assurance that assets are properly safeguarded, and that the financial records and systems are appropriately designed and maintained, and provide relevant, timely and reliable financial information to Management.

Kenway Mack Slusarchuk Stewart LLP are the external auditors appointed by the shareholders, and they have conducted an independent examination of the corporate and accounting records in order to express an Auditors' Opinion on these Consolidated Financial Statements.

The Board of Directors has established an Audit Committee. The Audit Committee reviews with Management and the external auditors any significant financial reporting issues, the Consolidated Financial Statements, and any other matters of relevance to the parties. The Audit Committee meets quarterly to review and approve the interim financial statements prior to their release, as well as annually to review the Company's annual Consolidated Financial Statements and Management's Discussion and Analysis and to recommend their approval to the Board of Directors. The external auditors have unrestricted access to the Company, the Audit Committee and the Board of Directors.

/s/ *"Timothy Elliott"*

Director and Chief Executive Officer

/s/ "*Harvey McKenzie*"

Director and Chief Financial Officer

April 6, 2022

Kenway Mack Slusarchuk Stewart LLP
Chartered Professional Accountants

Celebrating 35+ years

Independent Auditors' Report

To: The Shareholders of **Loon Energy Corporation**

Opinion

We have audited the consolidated financial statements of Loon Energy Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020 and the consolidated statements of operations and comprehensive loss, changes in 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 financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended 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 Auditors' 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the consolidated financial statements which indicates that at December 31, 2021 the Company had a deficit of $19,827,836. This condition, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in 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 identified above 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 auditors' 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 in this auditors' report. 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 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.

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.

Auditors' 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 auditors' 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 judgement 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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 Auditors' report is Kevin B. Napady, CPA, CA.

April 6, 2022
Calgary, Alberta

Chartered Professional Accountants

Loon Energy Corporation
Consolidated Statements of Financial Position
US$

	December 31, 2021	December 31, 2020
Current assets		
Cash	$ 519	$ 5,330
Prepaid expenses and other receivables (Note 7)	16,614	3,326
Total Assets	$ 17,133	$ 8,656
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	$ 23,191	$ 12,310
Notes payable to related parties (Note 10, 11)	125,696	56,504
	148,887	68,814
Shareholders' Deficiency		
Share capital (Note 12(a))	17,269,736	17,269,736
Contributed surplus	2,426,346	2,360,566
Deficit	(19,827,836)	(19,690,460)
	(131,754)	(60,158)
Total Liabilities and Shareholders' Deficiency	$ 17,133	$ 8,656

Going Concern (Note 2(b))

See accompanying notes to the financial statements.

Loon Energy Corporation
Consolidated Statements of Operations and Comprehensive Loss
US$

	Year ended December 31, 2021	2020
Operations		
General and administrative (Note 5)	$ (62,895)	$ (59,207)
Share-based compensation (Note 12(c))	(65,780)	-
Financing		
Interest expense (Note 10)	(9,060)	(33,694)
Foreign exchange gain	359	2,418
	(8,701)	(31,276)
Other		
Gain on settlement of debts (Note 6)	-	188,409
Net income/(loss) and comprehensive income/(loss)	$ (137,376)	$ 97,926
Net income/(loss) per share (basic and diluted) (Note 12(b))	$ (0.01)	$ 0.02

See accompanying notes to the financial statements.

Loon Energy Corporation
Consolidated Statements of Cash Flows
US$

	Year ended December 31, 2021	2020
Operating activities		
Net income (loss)	$ (137,376)	$ 97,926
Items not involving cash:		
Share-based compensation (Note 12c)	65,780	-
Gains on settlement of debts (Note 5)	-	(188,409)
Interest expense (Note 9)	9,060	33,694
Unrealized foreign exchange (gain)/loss	(124)	320
	(62,660)	(56,469)
Changes in non-cash working capital	(2,347)	(16,634)
	(65,007)	(73,103)
Financing		
Issuance of notes payable (Note 9)	60,313	73,008
Foreign exchange loss realized on settlement of debt	-	(2,667)
	60,313	70,341
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(117)	467
Change in cash	(4,811)	(2,295)
Cash, beginning of year	5,330	7,625
Cash, end of year	$ 519	$ 5,330

See accompanying notes to the financial statements.

Loon Energy Corporation
Consolidated Statements of Changes in Equity
US$, except share numbers

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balances, December 31, 2019	5,984,600	$16,620,159	$2,360,566	($19,788,386)	($807,661)
Shares issued (Note 12(a))	4,265,670	649,577	-	-	649,577
Net income and comprehensive income	-	-	-	97,926	97,926
Balances, December 31, 2020	10,250,270	$17,269,736	$2,360,566	($19,690,460)	($60,158)
Balances, December 31, 2020	10,250,270	$17,269,736	$2,360,566	($19,690,460)	($60,158)
Share-based compensation	-	-	65,780	-	65,780
Net loss and comprehensive loss	-	-	-	(137,376)	(137,376)
Balances, December 31, 2021	10,250,270	$17,269,736	$2,426,346	($19,827,836)	($131,754)

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares presented throughout these financial statements have been adjusted retroactively to reflect the consolidation.

See accompanying notes to the financial statements.

Loon Energy Corporation
Notes to the Consolidated Financial Statements
For the years ended December 31, 2021 and 2020
US$

1. Reporting Entity

Loon Energy Corporation and its wholly owned subsidiary 1000033135 Ontario Inc. ("**Loon**" or the "**Company**") were incorporated pursuant to the provisions of the Business Corporation Act (Alberta) on October 30, 2008 in conjunction with the reorganization by legal plan of arrangement of Loon Energy Inc. ("**Loon Energy**") and on November 23, 2021 under the laws of Ontario respectively. Loon's registered head office is located at 4100, 66 Wellington Street West, Toronto, Ontario.

Loon is a Reporting Issuer in Canada, whose common shares were traded under the symbol "LNE" on the TSX Venture Exchange ("**TSXV**") until March 3, 2017 when the Company's listing transferred to the NEX and its trading symbol changed to "LNE.H". Loon's shares were suspended from trading on October 31, 2018 and subsequently resumed trading on October 8, 2020. Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares previously outstanding.

The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021 and March 1, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("Optimind"), a private company incorporated under the Province of Ontario, whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the Transaction.

Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of the Company for each Target Share. To facilitate the execution of the transaction, on November 23, 2021 the Company incorporated 1000033135 Ontario Inc (the "Subsidiary"). As part of the Transaction, the Company has agreed to settle up to $138,133 (Cdn$ 175,000) of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of Cdn$ 0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 8,150,000 Loon common shares being issued and outstanding following the consolidation.

Optimind has agreed to complete a concurrent financing of a minimum of $394,000 (Cdn$ 500,000) and a maximum of $592,000 (Cdn$ 750,000) comprised of subscription receipts that are automatically exchangeable for convertible debentures of the resulting issuer which will have the following terms: (i) matures 18 months from commencement of trading of the Resulting Issuer Shares on the CSE; (ii) 10% interest per annum and payable on maturity; (iii) convertible at Cdn$ 0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at Cdn$ 0.40 per share for two years from the issue date of the convertible debenture; and, (iv) forced conversion of the convertible debenture if the shares close higher than Cdn$ 0.40 per share for 10 consecutive trading days. Optimind has agreed to have a minimum of $1,380,00 (Cdn$1,750,000) in cash on closing of the Transaction. Completion of the Transaction is subject to a number of conditions and there can be no assurance that the Transaction will be completed as proposed or at all.

2. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared using International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

These consolidated financial statements were approved by the Company's Board of Directors on April 6, 2022.

(b) Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Beginning in 2014 and continuing through 2021, certain members of the Company's Board of Directors advanced cash to fund Loon's activities and were issued secured promissory notes (the "**Notes**") by the Company. As at December 31, 2021, the Company was indebted to Mr. Michael Stein, former Director and Chief Executive Officer of Loon and current significant shareholder, ("**Mr. Stein**"), in the aggregate amount of $125,696 (2020 - $31,997) and to Mr. Timothy Elliott, Chairman of the Board of Directors of Loon and current Chief Executive Officer ("**Mr. Elliott**") in the aggregated amount of $nil (2020 - $24,507). The Notes are secured, due on demand and bear interest at 12% per annum, compounded annually on December 31.

As at December 31, 2021, the Company had a working capital deficiency of $131,754 of which $125,696 is the aggregate of Notes Payable to Mr. Stein. The need to raise capital to fund the working capital deficiency, ongoing operations, and the acquisition of future business opportunities that may arise, indicates the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity or debt will be available when needed. These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

(c) Basis of measurement

The financial statements have been prepared using the historical cost basis.

(d) Functional and presentation currency

The consolidated financial statements are presented in U.S. dollars. The functional currency of the Company is the U.S. dollar.

3. Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements and significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Note 2(b) – Going concern.

Management made critical estimates to determine that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlements would fall within a range of Cdn$ 0.005 per share to Cdn$ 0.05 per

share. Management has used a fair market value for the treasury shares issued of Cdn$ 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement.

During the year ended December 31, 2021, the Company issued stock options to certain Officers and Directors. Management made critical estimates to determine that the fair value of stock option awards. These estimates affect the amount recognized as share-based compensation in the statement of operations and comprehensive income and loss.

At December 31, 2021, there were no other critical judgments required to be made by management when applying the Company's significant accounting policies.

4. Significant Accounting Policies

(a) Foreign currency

Transactions in foreign currencies are translated to United States dollars at exchange rates in effect as of the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the Company's functional currency at the period-end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss.

(b) Finance income and expenses

Finance expense consists of interest on notes payable.

Foreign currency gains and losses, reported under finance income and expenses, are reported on a net basis.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term, highly liquid investments with original maturities of three months or less.

(d) Financial instruments

Fair value hierarchy

The fair value hierarchy established three levels to classify the inputs for valuation techniques used to measure fair value as follows:

Level 1 inputs are quoted prices in active markets for identical assets and liabilities;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly, and

Level 3 inputs are unobservable inputs for the asset or liability.

Classification and measurement of financial assets

Financial assets are recognized initially at fair value. Subsequent to initial recognition, non-derivative financial assets are measured based on their classification as follows:

i) Amortized cost: includes assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cashflows that represent solely payments of principal and interest; or

ii) Fair value through other comprehensive income ("FVOCI"): includes assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, where its

contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest; or

iii) Fair value through profit or loss ("FVTPL"): includes assets that do not meet the criteria for amortized cost or FVOCI and are measured at fair value through profit or loss.

Cash is recognized at fair value through net loss. Gains or losses resulting from the periodic revaluation are recognized in the statements of operations and comprehensive income.

The Company has no financial assets measured at amortized cost or FVOCI.

Classification and measurement of financial liabilities

A financial liability is initially classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative or designated as FVTPL on initial recognition.

The Company's accounts payable and accrued liabilities and notes payable are measured at amortized cost.

Accounts payable and accrued liabilities are initially measured at fair value and subsequently measured at amortized cost. Accounts payable and accrued liabilities are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Notes payable are initially measured at fair value. The contractual cash flows of the long-term debt are subsequently measured at amortized cost. Notes payable are classified as current when payment is due within 12 months after the reporting period.

At December 31, 2021, the fair value of the Company's accounts payable and accrued liabilities and notes payable approximate their book value due to the short term nature of the liabilities.

The Company has no financial liabilities measured at FVTPL.

(e) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

(f) Income or Loss per share

Basic income or loss per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to directors and officers.

(g) Income tax

Income tax expense includes current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the 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 the related tax benefit will be realized.

(h) Standards currently adopted

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2021. There are currently no such pronouncements that are expected to have a significant impact on the Company's financial statements.

5. General and Administrative

Under the terms of the Definitive Agreement, Optimind is to reimburse the Company for up to Cdn$ 30,000 of legal fees incurred in relation to the Transaction plus the costs of the shareholder meeting to be held on January 4, 2022. As at December 31, 2022, Optimind had reimbursed the Company $11,724 (Cdn$15,000) of legal fees and $1,530 (Cdn$ 1,958) of shareholder meeting expenses. As at December 31, 2022, the Company has accrued an additional $13,092 of recoveries, consisting of $11,724 (Cdn$15,000) of legal fees and $1,249 (Cdn$ 1,597) of shareholder meeting expenses which the Company incurred in 2021. General and administrative expenses of $62,895 are comprised of $89,122 less total recoveries collected and accrued of $26,227.

6. Gains on Settlement of Debts

	As at December 31,	
	2021	2020
Gain on settlement of Accounts Payable (Note 8)	$ -	$ 35,826
Gain on settlement of Fees Payable to Directors and Officers (Note 9)	-	123,030
Gain on settlement of Notes Payable (Note 10)	-	29,553
Balance outstanding end of year	$ -	$ 188,409

The Company realized gains during the year ended December 31, 2020 from terminations and settlements of various indebtedness for amounts less than their carrying value. Certain accounts payable to an un-related supplier of services were formally terminated for less than their carrying value. Debt settlement agreements (the "**Settlement Agreements**") entered into with Directors and Officers related to unpaid fees and Notes Payable were also settled for less than their carrying value through the issuance of common shares. (See Notes 9, 10 and 11).

7. Prepaid Expenses and Other Receivables

Under the terms of the Definitive Agreement, Optimind is to reimburse the Company for up to Cdn$ 30,000 of legal fees incurred in relation to the Transaction plus the costs of the shareholder meeting which was held on January 4, 2022 (see

Note 17 Subsequent Events). The Company has accrued unpaid recoveries of $13,092 consisting of $11,724 (Cdn$ 15,000) of legal fees and $1,249 (Cdn$1,597) of shareholder meeting expenses incurred in 2021.

Accounts receivable also includes Goods and Services Tax ("GST") input tax credits receivable for the fourth quarter of 2021 and prepaid listing fees of the TSX which relate to the first quarter of 2022 and will be recognized as expense in 2022. The prior year balance includes GST input tax credits of the fourth quarter of 2020 and prepaid listing fees of the TSX which related to the first quarter of 2020 and were recognized as expense in 2021.

8. Accounts Payable and Accrued Liabilities

Accounts payable is comprised primarily of legal fees and accruals for public company costs of compliance. Accounts payable in 2020 was mainly comprised of accruals for public company costs of compliance.

9. Fees Payable to Directors and Officers

	As at December 31, 2021	2020
Bonus payable to Directors and Officers	$ -	$ 212,161
Foreign exchange adjustment	-	(2,343)
Fees settled through the issuance of shares (Note 11)	-	(86,788)
Fees forgiven by Directors and Officers (Note 11)	-	(123,030)
Balance outstanding end of year	$ -	$ -

On February 21, 2017, the Board of Directors declared a bonus payable in Canadian currency to Directors and Officers of the Company in the amount of $257,110 (Cdn$ 339,150). Interest on the unpaid liability was accrued at a rate of 12% per annum until March 31, 2017. On April 26, 2017, $49,894 (Cdn$ 66,817) of this bonus was settled through the issuance of common shares of the Company.

On October 13, 2020 Directors and Officers entered into Settlement Agreements with the Company (Note 11). Prior to execution of the Settlement Agreements, the unpaid bonus portion of the Fees Payable were valued at $206,593 (Cdn$ 271,333), after accounting for changes to foreign exchange rates, plus accrued interest of $3,226 (Cdn$ 4,237) for total Fees Payable of $209,818 (Cdn$ $275,570).

10. Notes Payable to Related Parties

	As at December 31, 2021	2020
Balance outstanding beginning of year	$ 56,504	$ 541,398
Issuance of Notes Payable	60,313	73,008
Accrued interest	9,060	33,694
Foreign exchange adjustment	(181)	746
Notes and interest settled through the issuance of shares (Note 11)	-	(562,789)
Notes and interest forgiven by Note holders (Note 11)	-	(29,553)
Balance outstanding end of year	$ 125,696	$ 56,504

Beginning in December 2014 and continuing through 2021, certain members of the Company's Board of Directors advanced cash to fund Loon's activities. In exchange for the advances, the Company issued promissory notes.

As at December 31, 2021, the balance of the secured Note Payable to Mr. Stein is $125,696 (2020 - $31,998) and to Mr. Elliott is $nil (2020 - $24,507). On February 26, 2021, Mr. Stein and Mr. Elliott entered in an Assignment Agreement, under the terms of which the secured Promissory Note payable to Mr. Elliott on December 31, 2020 (Note 9) was assigned

to Mr. Stein. The secured Promissory Note now payable to Mr. Stein continues to be outstanding at the same principal amount and interest continues to accrue in accordance with the terms of the Note.

The Notes Payable are secured, due on demand and bear interest calculated at a rate of 12% per annum and compounded annually on December 31. Upon demand notice having been received, the interest rate increases to 24% per annum on any balance that remains unpaid. On December 31, 2021 accrued interest of $9,060 (2020 - $965) was added to the Principal and will accrue interest from that date forward.

On October 13, 2020, two former Directors and Mr. Elliott entered into Settlement Agreements with the Company (Note 9) to settle all Notes payable and accrued interest which were unpaid as at June 30, 2020, including an advance made prior to June 30, 2020 by Mr. Elliott in the amount of $18,513. The value of the Notes and accrued interest included in the Settlement Agreements on the settlement date was $592,342. Pursuant to the Settlement Agreements, interest on Notes advanced prior to June 30, 2020, ceased to accrue after June 30, 2020.

11. Settlement of Debts

On October 13, 2020 Directors and Officers entered into Settlement Agreements with the Company, whereby the Fees payable to Directors and Officers and Notes payable to related parties were settled for consideration consisting of 4,265,670 treasury shares issued by the Company at a stated value of Cdn$ 0.05 (US$ 0.03807) per share for a portion of the outstanding debts with the remaining unpaid amounts then being forgiven.

	Settled	Forgiven	Total
Fees payable to Directors and Officers (Note 9)	$ 86,788	$ 123,030	$ 209,818
Notes payable to related parties (Note 10)	562,789	29,553	592,342
	$ 649,577	$ 152,583	$ 802,160

12. Share Capital

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

On December 8, 2020, the Company issued 4,265,670 common shares at a stated value of Cdn$ 0.05 (US$ 0.03807) to settle $86,788 of outstanding Fees Payable to Directors and Officers and $562,789 of outstanding Notes and Interest Payable. The Company determined that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlement would fall within a range of Cdn$ 0.005 per share to Cdn$ 0.05 per share. Management has used a fair market value for the treasury shares issued of Cdn$ 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares and per share amounts presented throughout these financial statements have been adjusted retroactively.

	As at December 31, 2021	2020
Shares outstanding, beginning of year	10,250,270	5,984,600
Issuance of shares on settlement of debts (Note 10)	-	4,265,670
	10,250,270	10,250,270
Weighted average number of shares outstanding, with effect of share consolidation applied retroactively	10,250,270	6,253,391

(b) Per share amounts

The following table summarized the weighted average number of common shares used in calculating the net income or loss per share.

	Year ended December 31, 2021	2020
Net income (loss) attributable to shareholders	$ (137,376)	$ 97,926
Weighted average number of shares outstanding	*10,250,270*	*6,253,391*
Income (loss) per share - Basic and diluted	$ (0.01)	$ 0.02

(c) Stock options

	As at December 31, 2021	2020
	# of options	# of options
Options granted	900,000	-
Options expired	(300,000)	-
Balance outstanding end of year	600,000	-

On February 26, 2021, the Company granted 750,000 incentive share purchase options (the "Options") to certain Directors and Officers. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

On June 4, 2021 two Officers holding 300,000 of the 750,000 Options granted on February 26, 2021 resigned from the Company. Under the terms of the Option agreements, the Options expired 90 days following the date of resignation, on September 2, 2021.

On June 16, 2021 the Company granted 150,000 Options to a Director of the Company. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

During the year ended December 31, 2021, the Company recorded share-based compensation of $65,780 (2020 - $nil) to recognize the estimated fair value of these options. The fair value of stock options granted was estimated using the Black-sholes Option Pricing Model with the following assumptions:

Risk-free rate:	0.5%
Expected life:	3 years
Expected volatility:	100%
Share price at grant:	Cdn$ 0.12 – Cdn$ 0.15 per share

13. Financial Risk Management

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's net income or the value of its financial instruments.

(i) Interest rate risk

The Company maintains its cash and cash equivalents in instruments that are redeemable at any time without penalty thereby reducing its exposure to interest rate fluctuations thereon. Interest rate risk is not considered material.

(ii) Foreign currency exchange risk

The Company is exposed to risks arising from fluctuations in currency exchange rates between the Canadian dollar ("Cdn$") and the United States dollar ("US$"). At December 31, 2021 and 2020 the Company's primary foreign currency exposure relates to Canadian dollar cash and accounts receivable balances net of accounts payable and accrued liabilities in Canada as follows:

	As at December 31, 2021 Cdn $	2020 Cdn $
Cash and cash equivalents	$ 659	$ 6,786
Prepaid expenses and other receivables	19,836	4,278
Accounts payable	(29,403)	(15,628)
Notes and interest payable to related parties	(159,351)	(71,943)
Net foreign exchange exposure	$ (168,259)	$ (76,507)
US$ equivalent at year end exchange rate	$ (132,733)	$ (60,089)

Based on the net foreign exposure at the end of the year, if these currencies had strengthened or weakened by 10% compared to the U.S. dollar and all other variables were held constant, the after tax net earnings would have decreased or increased by approximately $13,273 (2020 - $6,009).

(b) Credit risk

Management monitors credit risk by reviewing the credit quality of the financial institutions that hold the cash and cash equivalents.

(c) Liquidity risk and capital management

The Company was an exploration and development resource company formerly active in South and Central America, however its last remaining resource property interest was relinquished during 2017. The Company's management is currently evaluating new business opportunities, however, without internally generated cash flow and a consequent reliance on Director advances to fund activities, there are inherent liquidity risks including the possibility that additional financing may not be available to the Company on either a timely or commercial basis, or that future business opportunities may not be available at a cost the Company can afford. The need to raise capital to fund the working capital deficiency, ongoing operations, and the acquisition of future business opportunities that may arise, indicates the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern (See Note 2(b)). There are no guarantees that additional capital, either through additional equity or debt will be available when needed.

As at December 31, 2021, the Company's working capital deficiency was $131,754 (December 31, 2020: $60,158). Consistent with prior years, the Company manages its capital structure to maximize financial flexibility, making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Further, each potential acquisition and investment opportunity is assessed to determine the nature and total amount of capital required together with the relative proportions of debt and equity to be deployed. The Company does not presently utilize any quantitative measures to monitor its capital.

14. Related Party Transactions

During the year ended December 31, 2021, additional funding was advanced to the Company in the form of secured Notes Payable by Mr. Stein, which totaled $60,313. During the year ended December 31, 2020, $73,008 of additional funding was advanced to the Company in the form of secured Notes Payable by Mr. Stein ($31,978) and by Mr. Elliott ($41,030).

On October 13, 2020, Directors and Officers entered into debt Settlement Agreements with the Company, whereby Fees Payable to Directors and Officers and certain Notes Payable and accrued interest were settled (Notes 8, 9 and 10). As at December 31, 2021, the balance of the Note Payable to Mr. Stein is $125,696 (2020 - $31,998) and to Mr. Elliott is $nil (2020 - $24,507). On February 26, 2021, Mr. Stein and Mr. Elliott entered in an Assignment Agreement, under the terms of which the secured Promissory Note payable to Mr. Elliott on December 31, 2020 (Note 9) was assigned to Mr. Stein. The secured Promissory Note now payable to Mr. Stein continues to be outstanding at the same principal amount and interest continues to accrue in accordance with the terms of the Note.

15. Income Tax

The differences between the income tax provisions calculated using statutory rates and those reported are as follows:

	Year ended December 31, 2021	2020
Income (loss) before income taxes	$ (137,376)	$ 97,926
Federal and provincial statutory rate	23.00%	24.00%
Expected income tax payable (recovery)	(31,596)	23,502
Foreign exchange and other	(2,444)	(24,248)
Share-based compensation	15,129	-
Changes in unrecognized deferred tax assets	18,911	746
Current income tax recovery	$ -	$ -

The general federal/provincial tax rate in Alberta, Canada was 23.0% in 2021 (2020 –24.0%).

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	As at December 31, 2021	2020
Non-capital losses	$ 2,598,354	$ 2,516,129

Deferred tax assets have not been recognized in respect of these items because it is not considered probable that future taxable profits will be available against which such losses could be utilized.

The Company has non-capital losses for Canadian income tax purposes of $ 2.6 million (2020 - $2.5 million) that, in the absence of any events that may cause an earlier, shortened tax year, expire between 2029 and 2041 as follows:

Year of expiry	As at December 31, 2021	2020
	Cdn $	Cdn $
2029	$ 680,404	$ 680,404
2030	788,838	788,838
2031	334,328	334,328
2032	219,459	219,459
2033	127,387	127,387
2034	71,922	71,922
2035	96,345	96,345
2036	110,132	110,132
2037	283,172	283,172
2038	192,331	192,331
2039	175,924	175,924
2040	123,386	123,386
2041	90,431	-
	$ 3,294,059	$ 3,203,628
US$ equivalent at year end exchange rates	$ 2,598,354	$ 2,516,129

16. Novel Coronavirus ("COVID-19")

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Alberta declared a State of Emergency with regards to the pandemic on March 17, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring the closure of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. On April 30, 2020 the Government of Alberta announced a phased relaunch strategy outlining the relaxing of certain measures starting mid-May 2020, conditional on the results of ongoing monitoring of testing results for COVID-19 in the province.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments.

17. Subsequent Events

On January 4, 2022, the Company's shareholders approved the proposed Reverse Takeover of the Company by Optimind.

On January 5, 2022, the Company filed Articles of Continuance to Ontario and moved its head office to 4100, 66 Wellington Street West Toronto, Ontario.

On March 1, 2022, the Company and Optimind executed an amendment to the Definitive Agreement and agreed that the closing of the Transaction shall occur on or prior to June 30, 2022. Optimind also agreed to reimburse certain expenses of the company in the amount of $13,521 (Cdn$ 17,115).

On March 2, 2022, Optimind paid the Company $30,462 (Cdn$ 38,589) for General and Administrative expenses, of which $13,092 was related to expenses incurred in 2021 (Notes 5 and 7) and $17,370 was related to expenses incurred in 2022. The 2022 expenses related to costs of the Transaction and audit and accounting fees in accordance with the amendment of March 1, 2022.

LOON ENERGY CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
US$, unless otherwise stated
(unaudited)

NOTIFICATION OF CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed unaudited interim financial statements for the three-month period ended March 31, 2022.

Loon Energy Corporation
Condensed Interim Consolidated Statements of Financial Position
US$
(Unaudited)

	March 31, 2022	December 31, 2021
Current assets		
Cash	$ 511	$ 519
Prepaid expenses and other receivables (Note 3)	3,841	16,614
Total Assets	$ 4,352	$ 17,133
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	$ 31,795	$ 23,191
Notes payable to related parties (Note 5)	117,174	125,696
	148,969	148,887
Shareholders' Deficiency		
Share capital (Note 6(a))	17,269,736	17,269,736
Contributed surplus	2,426,346	2,426,346
Deficit	(19,840,699)	(19,827,836)
	(144,617)	(131,754)
Total Liabilities and Shareholders' Deficiency	$ 4,352	$ 17,133

Going Concern (Note 2(b))

See accompanying notes to the financial statements.

Approved on behalf of the Board on May 12, 2022

/s/ "Harvey McKenzie" Chief Financial Officer /s/ *"Timothy Elliott"* Interim Chief Executive Officer

Loon Energy Corporation
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
US$

	Three months ended March 31, 2022	2021
Operations		
General and administrative	$ (7,225)	$ (17,334)
Share-based compensation (Note 6(c))	-	(34,256)
Financing		
Interest expense (Note 5)	(3,568)	(1,681)
Foreign exchange loss	(2,070)	(701)
	(5,638)	(2,382)
Net loss and comprehensive loss	$ (12,863)	$ (53,972)
Net loss per share (basic and diluted) (Note 12(b))	$ (0.00)	$ (0.01)

See accompanying notes to the financial statements.

Loon Energy Corporation
Condensed Interim Consolidated Statements of Cash Flows
US$

	Three months ended March 31, 2022	2021
Operating activities		
Net loss	$ (12,863)	$ (53,972)
Items not involving cash:		
Share-based compensation (Note 6(c))	-	34,256
Interest expense (Note 5)	3,568	1,681
Unrealized foreign exchange loss	2,061	717
	(7,234)	(17,318)
Changes in non-cash working capital	20,991	14,581
	13,757	(2,737)
Financing		
Settlement of notes payable (Note 5)	(21,969)	-
Issuance of notes payable (Note 5)	8,179	-
Foreign exchange loss realized on settlement of debt	33	-
	(13,757)	-
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(8)	40
Change in cash	(8)	(2,697)
Cash, beginning of year	519	5,330
Cash, end of period	$ 511	$ 2,633

See accompanying notes to the financial statements.

Loon Energy Corporation
Condensed Interim Consolidated Statements of Changes in Equity
US$, except share numbers

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balances, December 31, 2020	10,250,270	$17,269,736	$2,360,566	($19,690,460)	($60,158)
Share-based compensation	-	-	34,256	-	34,256
Net income and comprehensive income	-	-	-	(53,972)	(53,972)
Balances, March 31, 2021	10,250,270	$17,269,736	$2,394,822	($19,744,432)	($79,874)
Balances, December 31, 2021	10,250,270	$17,269,736	$2,426,346	($19,827,836)	($131,754)
Net loss and comprehensive loss	-	-	-	(12,863)	(12,863)
Balances, March 31, 2022	10,250,270	$17,269,736	$2,426,346	($19,840,699)	($144,617)

See accompanying notes to the financial statements.

Loon Energy Corporation
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2022 and 2021
US$

1. Reporting Entity

Loon Energy Corporation and its wholly owned subsidiary 1000033135 Ontario Inc. ("**Loon**" or the "**Company**") were incorporated pursuant to the provisions of the Business Corporation Act (Alberta) on October 30, 2008 in conjunction with the reorganization by legal plan of arrangement of Loon Energy Inc. ("**Loon Energy**") and on November 23, 2021 under the laws of Ontario respectively. Loon's registered head office is located at 4100, 66 Wellington Street West, Toronto, Ontario.

The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021 and March 1, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("Optimind"), a private company incorporated under the Province of Ontario, whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the Transaction.

Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of the Company for each Target Share. To facilitate the execution of the transaction, on November 23, 2021 the Company incorporated 1000033135 Ontario Inc (the "Subsidiary"). As part of the Transaction, the Company has agreed to settle up to $138,133 (Cdn$ 175,000) of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of Cdn$ 0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 8,150,000 Loon common shares being issued and outstanding following the consolidation.

Optimind has agreed to complete a concurrent financing of a minimum of $394,000 (Cdn$ 500,000) and a maximum of $592,000 (Cdn$ 750,000) comprised of subscription receipts that are automatically exchangeable for convertible debentures of the resulting issuer which will have the following terms: (i) matures 18 months from commencement of trading of the Resulting Issuer Shares on the Canadian Securities Exchange ("**CSE**"); (ii) 10% interest per annum and payable on maturity; (iii) convertible at Cdn$ 0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at Cdn$ 0.40 per share for two years from the issue date of the convertible debenture; and, (iv) forced conversion of the convertible debenture if the shares close higher than Cdn$ 0.40 per share for 10 consecutive trading days. Optimind has agreed to have a minimum of $1,380,00 (Cdn$1,750,000) in cash on closing of the Transaction. Completion of the Transaction is subject to a number of conditions and there can be no assurance that the Transaction will be completed as proposed or at all.

2. Basis of Preparation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all the information required for full annual financial statements.

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the financial statements of the Company for the year ended December 31, 2021, except as described in note 2(c). The disclosures provided herein are incremental to those included within the annual financial statements and certain disclosures which are normally required to be included in the notes to the annual financial statements have been condensed or omitted. These condensed interim consolidated financial statements should be read in conjunction with the financial statements and notes thereto in the Company's annual filings for the year ended December 31, 2021.

These condensed interim consolidated financial statements were approved by the Company's Board of Directors on May 12, 2022.

(b) Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Beginning in 2014 and continuing through 2022, certain members of the Company's Board of Directors advanced cash to fund Loon's activities and were issued secured promissory notes (the "**Notes**") by the Company. As at March 31, 2022, the Company was indebted to Mr. Michael Stein, former Director and Chief Executive Officer of Loon and current significant shareholder, ("**Mr. Stein**"), in the aggregate amount of $117,174. The Notes are secured, due on demand and bear interest at 12% per annum, compounded annually on December 31.

As at March 31, 2022, the Company had a working capital deficiency of $144,617 of which $117,174 is the aggregate of Notes Payable to Mr. Stein. The need to raise capital to fund the working capital deficiency, ongoing operations, and the acquisition of future business opportunities that may arise, indicates the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity or debt will be available when needed. These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

(c) Use of estimated and judgments

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim financial statements are described in note 3 to the financial statements for the year ended December 31, 2021.

(d) Functional and presentation currency

The financial statements are presented in U.S. dollars. The functional currency of the Company is the U.S. dollar.

(e) Standards currently adopted

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after March 31, 2022. There are currently no such pronouncements that are expected to have a significant impact on the Company's financial statements.

3. Prepaid Expenses and Other Receivables

Under the terms of the Definitive Agreement, Optimind is to reimburse the Company for up to Cdn$ 30,000 of legal fees incurred in relation to the Transaction plus the costs of the shareholder meeting which was held on January 4, 2022 (see Note 17 Subsequent Events). As at December 31, 2021 the Company had accrued unpaid recoveries of $13,092 consisting of $11,724 (Cdn$ 15,000) of legal fees and $1,249 (Cdn$1,597) of shareholder meeting expenses incurred in 2021. The accrued recoveries were received during the current quarter. As at March 31, 2022 no unpaid reimbursements were accrued.

Accounts receivable also includes Goods and Services Tax ("GST") input tax credits receivable for the fourth quarter of 2021 and the first quarter of 2022 and prepaid listing fees of the TSX which relate to the second quarter of 2022 and will be recognized as expense in that quarter. The prior year-end balance includes GST input tax credits of the fourth quarter of 2021 and prepaid listing fees of the TSX which related to the first quarter of 2022 and were recognized as expense in 2022.

4. Accounts Payable and Accrued Liabilities

Accounts payable is comprised primarily of legal and audit fees and accruals for public company costs of compliance.

5. Notes Payable to Related Parties

	As at March 31, 2022	As at December 31, 2021
Balance outstanding beginning of year	$ 125,696	$ 56,504
Settlements of Notes Payable	(21,969)	-
Issuance of Notes Payable	8,179	60,313
Accrued interest	3,568	9,060
Foreign exchange adjustment	1,700	(181)
Balance outstanding end of year	$ 117,174	$ 125,696

Beginning in December 2014 and continuing through 2022, certain members of the Company's Board of Directors advanced cash to fund Loon's activities. In exchange for the advances, the Company issued promissory notes.

On February 26, 2021, Mr. Stein and Mr. Timothy Elliott Chief Executive Officer and Chairman of the Board of Directors, entered into an Assignment Agreement, under the terms of which the secured Promissory Note and accrued interest payable to Mr. Elliott was assigned to Mr. Stein. The secured Promissory Note now payable to Mr. Stein continues to be payable and interest continues to accrue in accordance with the terms of the Note. The total balance outstanding of the two secured Notes payable to Mr. Stein as at March 31, 2022 was $ 113,558 ($Cdn 141,894) plus accrued interest of $3,616 ($Cdn 4,519).

The Notes Payable are secured, due on demand and bear interest calculated at a rate of 12% per annum and compounded annually on December 31. Upon demand notice having been received, the interest rate increases to 24% per annum on any balance that remains unpaid. On December 31, 2021 accrued interest of $9,060 (2020 - $965) was added to the Principal and will accrue interest from that date forward.

6. Share Capital

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

On December 8, 2020, the Company issued 4,265,670 common shares at a stated value of $Cdn 0.05 ($US 0.03807), to settle $86,788 of outstanding Fees Payable to Directors and Officers and $562,789 of outstanding Notes and Interest Payable. The Company determined that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlement would fall within a range of $Cdn 0.005 per share to $Cdn 0.05 per share. Management has used a fair market value for the treasury shares issued of $Cdn 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares and per share amounts presented throughout these financial statements have been adjusted retroactively.

	As at March 31, 2022	As at December 31, 2021
Shares outstanding, beginning of year	10,250,270	10,250,270
Issuance of shares	-	-
	10,250,270	10,250,270
Weighted average number of shares outstanding	10,250,270	10,250,270

(b) Per share amounts

The following table summarized the weighted average number of common shares used in calculating the net income or loss per share.

	Three months ended March 31,	
	2022	2021
Net loss attributable to shareholders	$ (12,863)	$ (53,972)
Weighted average number of shares outstanding	*10,250,270*	*10,250,270*
Net loss per share - Basic and diluted	$ (0.00)	$ (0.01)

(c) Stock options

On February 26, 2021, the Company granted 750,000 incentive share purchase options to certain Directors and Officers. The options have an exercise price of $Cdn 0.13 per share, vest immediately, and expire on February26, 2024.

On June 4, 2021 two Officers holding 300,000 of the 750,000 Options granted on February 26, 2021 resigned from the Company. Under the terms of the Option agreements, the Options expired 90 days following the date of resignation, on September 2, 2021.

On June 16, 2021 the Company granted 150,000 Options to a Director of the Company. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

During the three months ended March 31, 2022, the Company recorded share-based compensation of $nil (March 31, 2021 - $35,784) to recognize the estimated fair value of the options issued on February 26, 2021. The fair value of stock options granted was estimated using the Black-sholes Option Pricing Model with the following assumptions:

Risk-free rate:	0.5%
Expected life:	3 years
Expected volatility:	100%
Share price at grant:	Cdn$ 0.12 – Cdn$ 0.15 per share

7. Related Party Transactions

During the three months ended March 31, 2022, additional funding was advanced to the Company in the form of secured Notes Payable by Mr. Stein, which totaled $8,179 and $21,969 was repaid to Mr. Stein from proceeds of reimbursed expenses. No additional funding was advanced to the Company.

As at March 31, 2022 the Company had secured Notes payable to Mr. Stein, Chief Executive Officer and Director, in the amount of $ 113,558 ($Cdn 141,894) plus accrued interest of $3,616 ($Cdn 4,519). The secured Notes payable are due on demand with interest calculated at a rate of 12% per annum, compounded annually on December 31 (see Note 5).

Effective October 27, 2021, Mr. Stein resigned as a Director and Officer of the Company for personal reasons.

8. Novel Coronavirus (“COVID-19”)

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19” was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Alberta declared a State of Emergency with regards to the pandemic on March 17, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring the closure of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize

economic conditions. On April 30, 2020 the Government of Alberta announced a phased relaunch strategy outlining the relaxing of certain measures starting mid-May 2020, conditional on the results of ongoing monitoring of testing results for COVID-19 in the province.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments.

9. Subsequent Events

During the month of April 2022, Mr. Stein paid expenses of the Company in the amount of Cdn$ 17,031. These payments were added to the balance of the secured Notes Payable and will accrue interest from the date the payments were made.

On April 4, 2022 Optimind advised that it has completed the minimum concurrent financing of Cdn$ 500,000 and is nearing completion of its audited financial statements needed for completion of the Transaction and listing on the CSE.

SCHEDULE "B"
MD&A OF THE ISSUER

Loon Energy Corporation
Management's Discussion and Analysis
For the year ended December 31, 2021
(US$, unless otherwise stated)

This Management's Discussion and Analysis ("**MD&A**") document dated April 6, 2021 is provided by the management of Loon Energy Corporation ("**Loon**" or "**Company**") and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. The Company's Board of Directors approved the disclosure contained within this MD&A on April 6, 2021.

Basis of Presentation

This MD&A is prepared using United States dollars ("**US Dollars**") which is the reporting currency of the Company. The audited consolidated financial statements for the year ended December 31, 2021 are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The Company has no subsidiaries and has one reportable segment.

Overview

Loon Energy Corporation and its wholly owned subsidiary 1000033135 Ontario Inc. ("**Loon**" or the "**Company**") were incorporated pursuant to the provisions of the Business Corporation Act (Alberta) on October 30, 2008 in conjunction with the reorganization by legal plan of arrangement of Loon Energy Inc. ("**Loon Energy**") and on November 23, 2021 under the laws of Ontario respectively. Loon was formerly an international oil and gas exploration and development company, whose present activities consist of the investigation and evaluation of future business opportunities. During the year, the Company had management offices in Calgary, Alberta, Canada. Loon's registered head office is located at 4100, 66 Wellington Street West, Toronto, Ontario.

On October 13, 2020 Directors and Officers entered into debt Settlement Agreements (the "Settlement Agreements") with the Company, pursuant to which a portion of the Fees Payable to Directors and Officers and Notes Payable to related parties were settled for consideration consisting of treasury shares issued by the Company, with the remaining unpaid amounts forgiven. In accordance with the agreements, Directors and Officers agreed to forgive, in aggregate, $123,030 of the Fees Payable and $29,553 of the Notes Payable. The remaining Fees Payable of $86,788 and the remaining Notes Payable of $562,789 were settled by issuance of 4,265,670 shares of the Company from Treasury with a stated value of $Cdn 0.05 ($US 0.03807) per share. The holders of shares issued pursuant to the Settlement Agreements are restricted from trading these shares until after April 9, 2021.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares presented throughout the consolidated financial statements and Management's Discussion and Analysis have been adjusted retroactively to reflect the consolidation.

The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021 and March 1, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("Optimind"), a private company incorporated under the Province of Ontario whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the Transaction.

Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of the Company for each Target Share. To facilitate the execution of the transaction, on November 23, 2021 the Company incorporated 1000033135 Ontario Inc (the "Subsidiary"). As part of the Transaction, the Company has agreed to settle up to $138,133 (Cdn$ 175,000) of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of Cdn$ 0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 8,150,000 Loon common shares being issued and outstanding following the consolidation.

Optimind has agreed to complete a concurrent financing of a minimum of $394,000 (Cdn$ 500,000) and a maximum of $592,000 (Cdn$ 750,000) comprised of subscription receipts that are automatically exchangeable for convertible debentures of the resulting issuer which will have the following terms: (i) matures 18 months from commencement of trading of the Resulting Issuer Shares on the CSE; (ii) 10% interest per annum and payable on maturity; (iii) convertible at Cdn$ 0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at Cdn$ 0.40 per share for two years from the issue date of the convertible debenture; and, (iv) forced conversion of the convertible debenture if the shares close higher than Cdn$ 0.40 per share for 10 consecutive trading days. Optimind has agreed to have a minimum of $1,380,00 (Cdn$1,750,000) in cash on closing of the Transaction. Completion of the Transaction is subject to a number of conditions and there can be no assurance that the Transaction will be completed as proposed or at all.

Optimind is a Canadian pharmaceutical company which has developed a clinic based business model for psychedelic assisted psychotherapy for the treatment of depression, anxiety and post-traumatic stress syndrome. Optimind has set up a joint venture with an Indigenous owned pharmaceutical company to help bring awareness to the benefits of psychedelic-assisted psychotherapy and advocate for federal approvals to treat depression and anxiety, which remains a disproportionately large issue for the indigenous community.

Loon is a Reporting Issuer in Canada, whose common shares were traded under the symbol "LNE" on the TSXV until March 3, 2017, when the Company's listing transferred to NEX, and its trading symbol changed to "LNE.H". Loon's shares were suspended from trading on October 31, 2018 and resumed trading on October 8, 2020. Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the transaction.

Operations Overview

The Company no longer conducts any active oil and gas operations, and its present activities consist solely of investigating and evaluating potential business opportunities.

Significant factors affecting Company's results of operations

The Company has not conducted any active oil and gas operations during 2021 and 2020, though the Company continues to evaluate other business opportunities, including the potential acquisition of international oil and gas interests.

Selected annual information

Working capital deficiency

	As at December 31,		
	2021	2020	2019
Current assets	$ 17,133	$ 8,656	$ 8,707
Current liabilities	(148,887)	(68,814)	(816,368)
	$ (131,754)	$ (60,158)	$ (807,661)

Results of operations

	Year ended December 31,		
	2021	2020	2019
Operations			
General and administrative	$ (62,895)	$ (59,207)	$ (30,217)
Share-based compensation	(65,780)	-	-
Financing			
Interest expense	(9,060)	(33,694)	(102,001)
Foreign exchange gain/(loss)	359	2,418	(22,778)
	(8,701)	(31,276)	(124,779)

Other			
Gain on settlement of debts	-	188,409	136,023
Net income (loss) and comprehensive income (loss)	$ (137,376)	$ 97,926	$ (18,973)
Net income (loss) and comprehensive income (loss) per share	$ (0.01)	$ 0.02	$ (0.00)

The following table summarizes the weighted average number of outstanding common shares used in calculating the net loss per share. For comparative purposes, the 2019 number of shares has been retroactively adjusted to reflect a 1-for-4 share consolidation which occurred on December 17, 2020.

	Year ended December 31,		
	2021	2020	2019
Net income (loss) attributable to shareholders	$ (137,376)	$ 97,926	$ (18,973)
Weighted average number of shares	*10,250,270*	*6,253,391*	*5,984, 600*
Net income (loss) per share - Basic and diluted	$ (0.01)	$ 0.02	$ (0.00)

General and Administrative Expenses

	Year ended December 31,	
	2021	2020
Advisory costs	$ 29,748	$ 29,879
Other administration costs	33,147	29,328
	$ 62,895	$ 59,207

General and administrative expenses for the year ended December 31, 2021 increased slightly to $62,895 compared to $59,207 for the year ended December 31, 2020. The Company experienced no significant change in activity and General and Administrative Expense represent the costs of compliance as a publicly listed entity on the TSX Venture Exchange.

Under the terms of the Definitive Agreement, Optimind is to reimburse the Company for up to Cdn$ 30,000 of legal fees incurred in relation to the Transaction plus the costs of the shareholder meeting to be held on January 4, 2022. As at December 31, 2022, Optimind had reimbursed the Company $11,724 (Cdn$15,000) of legal fees and $1,530 (Cdn$ 1,958) of shareholder meeting expenses. As at December 31, 2022, the Company has accrued an additional $13,092 of recoveries, consisting of $11,724 (Cdn$15,000) of legal fees and $1,249 (Cdn$ 1,597) of shareholder meeting expenses which the Company incurred in 2021. General and administrative expenses of $62,895 are comprised of $89,122 less total recoveries collected and accrued of $26,227.

Interest expense

Interest expense decreased to $9,060 during the year ended December 31, 2021 compared to $33,694 for the previous year. In 2020, $592,342 of Notes and Interest Payable to Related Parties was settled through the issuance of shares and debt forgiveness. Accordingly, interest expense for the year ended December 31, 2020 is comprised of six months of interest on Notes advanced prior to June 30, 2020 and settled on October 13, 2020 and interest from the date of advance to December 31, 2020 for funds advanced in the second half of 2020. Interest expense for the year ended December 31, 2021 is lower than the previous year because the principal balance of Notes Payable is lower due to the debt settlements.

Foreign exchange gain/loss

The Company recorded a foreign exchange gain of $359 for the year ended December 31, 2021 compared to a gain of $2,418

for the year ended December 31, 2020. The decrease is mainly due to lower Canadian dollar denominated monetary balances in 2021, when Canadian dollar denominated Notes Payable were settled, as compared to 2020. An exchange loss of $78 is unrealized (2020 – loss of $660).

Gains on settlement of debts

	Year ended December 31,	
	2021	2020
Gain on settlement of Accounts Payable	$ -	$ 35,826
Gain on settlement of Fees Payable to Directors and Officers	-	123,030
Gain on settlement of Notes Payable	-	29,553
	$ -	$ 188,409

The Company realized gains during the year ended December 31, 2020 from terminations and settlements of various indebtedness for amounts less than their carrying value. Certain accounts payable to an un-related supplier of services were formally terminated for less than their carrying value. Debt settlement agreements with Directors and Officers related to unpaid fees and Notes Payable were also settled for less than their carrying value through the issuance of common shares.

Summary of Quarterly Data

The following tables set forth selected quarterly financial information for the most recent eight financial quarters.

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net earnings (loss)	$ (64,316)	$ (4,107)	$ (14,981)	$ (53,972)
Per share - basic and diluted	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.01)
General and administrative	$ 33,913	$ 4,188	$ 7,460	$ 17,334
Advisory costs	19,843	-	2,747	7,158
Other administrative costs	14,070	4,188	4,713	10,176
Share-based compensation	$ 27,143	$ -	$ 4,381	$ 34,256
Interest expense	$ 2,707	$ 2,364	$ 2,308	$ 1,681
Foreign exchange loss (gain)	$ 553	$ (2,445)	$ 832	$ 701
Working capital deficiency	$ (131,754)	$ (94,581)	$ (90,474)	$ (79,874)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net earnings (loss)	$ 95,996	$ 24,514	$ (34,448)	$ 11,864
Per share - basic and diluted	$ 0.02	$ 0.00	$ (0.00)	$ 0.00
General and administrative	$ 49,310	$ 3,025	$ 3,844	$ 3,028
Advisory costs	29,879	-	-	-
Other administrative costs	19,431	3,025	3,844	3,028
Interest expense	$ 716	$ 222	$ 16,655	$ 16,101
Foreign exchange loss (gain)	$ 6,562	$ 8,064	$ 13,949	$ (30,993)
Gain on settlements of debts	$ 152,584	$ 35,825	$ -	$ -
Working capital deficiency	$ (60,158)	$ (805,731)	$ (830,245)	$ (795,797)

During the fourth quarter of 2021, the Company incurred a loss of $64,316 due to legal fees related to the Transaction, annual audit fees and a revision to share-based compensation expense.

During the third quarter of 2021, the Company incurred a loss of $4,107 which comprised general and administrative expenses, offset by a foreign exchange gain resulting from the impact of a strengthening of the US dollar on the valuation of Canadian dollar liabilities.

During the second quarter of 2021, the Company incurred a loss of $14,981, which included general and administrative expenses related to public company compliance costs and share-based compensation expense related to incentive share purchase options issued to a new Director.

The Company incurred a loss of $53,972 in the first quarter of 2021, mainly due to the recognition of the estimated fair value of share purchase options granted to certain Directors and Officers on February 26, 2021.

The net earnings increased significantly in the fourth quarter of 2020 as compared to the other quarters in 2020 due to a gain realized on the settlement of debts with Directors and Officers of the company. The debts were comprised of unpaid fees and Notes including accrued interest. In aggregate, the Directors and Officers forgave $123,030 of unpaid fees and $29,553 of the Notes. The remaining debts of $649,577 were settled on December 8, 2021 by issuance of 4,265,670 shares from treasury. The gain reported in the fourth quarter of 2020 is partially offset by legal fees incurred. The settlements of the debts reduced the working capital deficiency by $745,573. An additional gain on settlements of debts was recorded in the third quarter of 2020 related to the settlement of amounts owing to an arms-length provider of services.

Pursuant to the debt settlement agreements, interest on Notes outstanding on June 30, 2020 was not accrued after June 30, 2020, causing a decrease of the interest expense in the third and fourth quarters of 2020.

During the fourth quarter of 2020, the Company realized a gain of $136,023 on the termination of Notes Payable upon the termination of the PacWest notes.

Share Data

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

The Company's common shares are listed for trading on the NEX board of the TSX Venture Exchange.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares presented throughout the consolidated financial statements and Management's Discussion and Analysis have been adjusted retroactively to reflect the consolidation.

On October 13, 2020, Directors and Officers entered into Settlement Agreements with the Company, whereby the Fees payable to Directors and Officers and Notes payable to related parties were settled for consideration consisting of treasury shares issued by the Company for a portion of the outstanding debts; the remaining unpaid amounts were forgiven by the respective parties.

Pursuant to the Settlement Agreement, on December 8, 2020, the Company issued 4,265,670 common shares at a stated value of $Cdn 0.05 ($US 0.03807) to settle $86,788 of outstanding Fees Payable to Directors and Officers and $562,789 of outstanding Notes and Interest Payable. The Company determined that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlement would fall within a range of $Cdn 0.005 per share to $Cdn 0.05 per share. Management has used a fair market value for the treasury shares issued of $Cdn 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement. The holders of shares issued pursuant to the Settlement Agreements are restricted from trading the shares until after to April 9, 2021.

	Number of Shares	Share Capital
Balances, December 31, 2019	5,984,600	$16,620,159
Shares issued on settlement	4,265,670	649,577
Balances, December 31, 2020	10,250,270	$17,269,736
Balances, December 31, 2021	10,250,270	$17,269,736

Stock Options

	As at December 31,		
	2021	2020	2019
	# of options	# of options	# of options
Options granted	900,000	-	-
Options expired	(300,000)	-	-
Balance outstanding end of year	600,000	-	-

On February 26, 2021, the Company granted 750,000 incentive share purchase options (the "Options") to certain Directors and Officers. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

On June 4, 2021 two Officers holding 300,000 of the 750,000 Options granted on February 26, 2021 resigned from the Company. Under the terms of the Option agreements, the Options expired 90 days following the date of resignation, on September 2, 2021.

On June 16, 2021 the Company granted 150,000 Options to a Director of the Company. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

During the year ended December 31, 2021, the Company recorded share-based compensation of $65,780 (2020 - $nil) to recognize the estimated fair value of these options. The fair value of stock options granted was estimated using the Black-sholes Option Pricing Model with the following assumptions:

Risk-free rate:	0.5%
Expected life:	3 years
Expected volatility:	100%
Share price at grant:	Cdn$ 0.12 – Cdn$ 0.15 per share

Related Party Transactions

During the year ended December 31, 2021, additional funding was advanced to the Company by Mr. Michael Stein, a former member of the Board of Directors in the form of secured notes payable which totaled $60,313. During the year ended December 31, 2020, additional funding was advanced to the Company by Mr. Stein and Mr. Timothy Elliott, Chief Executive Officer and Chairman of the Board of Directors, which totaled $73,008.

As at December 31, 2021, the balance of the secured Note Payable to Mr. Stein is $125,696 (2020 - $31,998) and to Mr. Elliott is $nil (2020 - $24,507). On February 26, 2021, Mr. Stein and Mr. Elliott entered in an Assignment Agreement, under the terms of which the secured Promissory Note payable to Mr. Elliott on December 31, 2020 (Note 9) was assigned to Mr. Stein. The secured Promissory Note now payable to Mr. Stein continues to be outstanding at the same principal amount and interest continues to accrue in accordance with the terms of the Note.

The Notes Payable are secured, due on demand and bear interest calculated at a rate of 12% per annum and compounded annually on December 31. Upon demand notice having been received, the interest rate increases to 24% per annum on any balance that remains unpaid. On December 31, 2021 accrued interest of $9,060 (2020 - $965) was added to the Principal and will accrue interest from that date forward.

On October 13, 2020, two former Directors and Mr. Elliott entered into Settlement Agreements with the Company (Note 9) to settle all Notes payable and accrued interest which were unpaid as at June 30, 2020, including an advance made prior to June 30, 2020 by Mr. Elliott in the amount of $18,513. The value of the Notes and accrued interest included in the Settlement Agreements on the settlement date was $592,342. Pursuant to the Settlement Agreements, interest on Notes advanced prior to June 30, 2020, ceased to accrue after June 30, 2020.

On October 13, 2020, Directors and Officers entered into debt Settlement Agreements with the Company, whereby Fees Payable to Directors and Officers and certain Notes Payable and accrued interest were settled.

Liquidity and Capital Resources

The Company was formerly an oil and gas exploration and development company with activities in Colombia, Peru and Guatemala. The Company's last remaining property interest was in Colombia, and this property interest, which had no proved reserves and did not generate positive net production revenue was relinquished during 2017 as part of a settlement of the Company's obligations arising from its interest in this property.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Beginning in 2014 and continuing through 2021, certain members of the Company's Board of Directors advanced cash to fund Loon's activities.

As at December 31, 2021, the Company had a working capital deficiency of $131,754 of which $125,696 is the aggregate of Notes Payable to a Directors and Officers of the Company. The need to raise capital to fund the working capital deficiency, ongoing operations, and the acquisition of future business opportunities that may arise, indicates the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity or debt will be available when needed. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

Financial Risk Management

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's net income or the value of its financial instruments.

Interest rate risk

The Company maintains its cash and cash equivalents in instruments that are redeemable at any time without penalty thereby reducing its exposure to interest rate fluctuations thereon. Interest rate risk is not considered material.

Foreign currency exchange risk

The Company is exposed to risks arising from fluctuations in currency exchange rates between the Canadian dollar ("CAD") and the United States dollar. At December 31, 2021 and 2020 the Company's primary foreign currency exposure relates to Canadian dollar cash balances and accounts receivable net of accounts payable and accrued liabilities in Canada as follows:

	As at December 31,	
	2021	2020
Cash	$ 658	$ 6,786
Prepaid expenses and other receivables	19,836	4,278
Accounts payable	(29,403)	(15,628)
Notes payable to related parties	(159,351)	(71,943)
Net foreign exchange exposure	$ (167,010)	$ (76,507)
$US equivalent at year end exchange rate	$ (131,754)	$ (60,089)

Based on the net foreign exposure at the end of the year, if these currencies had strengthened or weakened by 10% compared to the U.S. dollar and all other variables were held constant, the after-tax net earnings would have decreased or increased by approximately $13,175 (2020 - $6,009).

Credit Risk

Management monitors credit risk by reviewing the credit quality of the financial institutions that hold the cash and cash equivalents.

The Company's accounts receivable as at December 31, 2021 included $2,555 (2020 - $1,897) of goods and services taxes recoverable from the Government of Canada and $13,092 of reimbursable expenses from Optimind. The Company does not consider the credit risk relating to the outstanding amounts to be significant.

Liquidity Risk and Capital Management

The Company's management is currently evaluating new business opportunities, however, without internally generated cash flow and a consequent reliance on shareholder advances to fund activities, there are inherent liquidity risks including the possibility that additional financing may not be available to the Company on either a timely or commercial basis, or that future business opportunities may not be available at a cost the Company can afford. The need to raise capital to fund the working capital deficiency, ongoing operations, and evaluate and acquire new business opportunities creates significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity, debt or farm-out arrangements will be available when needed.

As at December 31, 2021, the Company's working capital deficiency was $131,754. (December 31, 2020: $60,158). Consistent with prior years, the Company manages its capital structure to maximize financial flexibility, making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Further, each potential acquisition and investment opportunity is assessed to determine the nature and total amount of capital required together with the relative proportions of debt and equity to be deployed. The Company does not presently utilize any quantitative measures to monitor its capital.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 2(b) – Going concern.

Management made critical judgments to determine that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlement, would fall within a range of $Cdn 0.005 per share to $Cdn 0.05 per share. Management has used a fair market value for the treasury shares issued of $Cdn 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement.

During the year ended December 31, 2021, the Company issued stock options to certain Officers and Directors. Management made critical judgments to determine that the fair value of stock option awards. These estimates affect the amount recognized as share-based compensation in the statement of operations and comprehensive income and loss.

At December 31, 2021, there were no other critical judgments required to be made by management when applying the Company's significant accounting policies.

Internal Controls over Financial Reporting

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee meets at least annually with the Company's external auditors to review accounting, internal control, financial reporting, and audit matters. Internal controls over financial reporting have not changed significantly since the last reporting period.

Changes in Accounting Policies

Standards currently adopted

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2021. There are currently no such pronouncements that are expected to have a significant impact on the Company's financial statements.

Forward Looking Statements

This MD&A contains forward-looking statements. These statements relate to future events or future performance of the Company. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "predict", "seek", "propose", "expect", "potential", "continue", and similar expressions are intended to identify forward-looking statements. 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. Such statements reflect the Company's current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance, or achievements to vary from those described in this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated, or expected.

Specific forward-looking statements in this MD&A, among others, include statements pertaining to the following:

- factors upon which the Company will decide whether or not to undertake a specific course of action;
- world-wide supply and demand for petroleum products;
- expectations regarding the Company's ability to raise capital;
- treatment under governmental regulatory regimes; and
- commodity prices.

With respect to forward-looking statements in this MD&A, the Company has made assumptions, regarding, among other things:

- the impact of increasing competition;
- the ability of farm-out partners to satisfy their obligations;
- the Company's ability to obtain additional financing on satisfactory terms; and
- the Company's ability to attract and retain qualified personnel.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

- general economic conditions;
- volatility in global market prices for oil and natural gas;
- competition;
- liabilities and risks, including environmental liability and risks, inherent in oil and gas operations;

- the availability of capital; and
- alternatives to and changing demand for petroleum products.

Furthermore, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitable in the future.

The forward–looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. These statements apply only as of the date of this MD&A.

Novel Coronavirus ("COVID-19")

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Alberta declared a State of Emergency in regards to the pandemic on March 17, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring the closure of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. On April 30, 2020, the Government of Alberta announced a phased relaunch strategy outlining the relaxing of certain measures starting mid-May 2020, conditional on the results of ongoing monitoring of testing results for COVID-19 in the province.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments.

Subsequent Events

On January 4, 2022, the Company's shareholders approved the proposed Reverse Takeover of the Company by Optimind.

On January 5, 2022, the Company filed Articles of Continuance to Ontario and moved its head office to 4100, 66 Wellington Street West Toronto, Ontario.

On March 1, 2022, the Company and Optimind executed an amendment to the Definitive Agreement and agreed that the closing of the Transaction shall occur on or prior to June 30, 2022. Optimind also agreed to reimburse certain expenses of the company in the amount of $13,521 (Cdn$ 17,115).

On March 2, 2022, Optimind paid the Company $30,462 (Cdn$ 38,589) for General and Administrative expenses, of which $13,092 was related to expenses incurred in 2021 (Notes 5 and 7) and $17,370 was related to expenses incurred in 2022. The 2022 expenses related to costs of the Transaction and audit and accounting fees in accordance with the amendment of March 1, 2022.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at **www.sedar.com**. Copies of the information can also be obtained by contacting the Company by e-mail at **hmckenzie@outlook.com**.

Loon Energy Corporation
Management's Discussion and Analysis
For the three-month period ended March 31, 2022
(US$, unless otherwise stated)

This Management's Discussion and Analysis ("**MD&A**") document dated May 12 2022 is provided by the management of Loon Energy Corporation ("**Loon**" or "**Company**") and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. The Company's Board of Directors approved the disclosure contained within this MD&A on May 12, 2022.

Basis of Presentation

This MD&A is prepared using United States dollars ("**US Dollars**") which is the reporting currency of the Company. The audited consolidated financial statements for the year ended December 31, 2021 are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The Company has no subsidiaries and has one reportable segment.

Overview

Loon Energy Corporation and its wholly owned subsidiary 1000033135 Ontario Inc. ("**Loon**" or the "**Company**") were incorporated pursuant to the provisions of the Business Corporation Act (Alberta) on October 30, 2008 in conjunction with the reorganization by legal plan of arrangement of Loon Energy Inc. ("**Loon Energy**") and on November 23, 2021 under the laws of Ontario respectively. Loon was formerly an international oil and gas exploration and development company, whose present activities consist of the investigation and evaluation of future business opportunities. Loon's registered head office is located at 4100, 66 Wellington Street West, Toronto, Ontario.

On October 13, 2020 Directors and Officers entered into debt Settlement Agreements (the "Settlement Agreements") with the Company, pursuant to which a portion of the Fees Payable to Directors and Officers and Notes Payable to related parties were settled for consideration consisting of treasury shares issued by the Company, with the remaining unpaid amounts forgiven. In accordance with the agreements, Directors and Officers agreed to forgive, in aggregate, $123,030 of the Fees Payable and $29,553 of the Notes Payable. The remaining Fees Payable of $86,788 and the remaining Notes Payable of $562,789 were settled by issuance of 4,265,670 shares of the Company from Treasury with a stated value of $Cdn 0.05 ($US 0.03807) per share. The holders of shares issued pursuant to the Settlement Agreements are restricted from trading these shares until after April 9, 2021.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares presented throughout the consolidated financial statements and Management's Discussion and Analysis have been adjusted retroactively to reflect the consolidation.

The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021 and March 1, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("Optimind"), a private company incorporated under the Province of Ontario whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the Transaction.

Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of the Company for each Target Share. To facilitate the execution of the transaction, on November 23, 2021 the Company incorporated 1000033135 Ontario Inc (the "Subsidiary"). As part of the Transaction, the Company has agreed to settle up to $138,133 (Cdn$ 175,000) of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of Cdn$ 0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 8,150,000 Loon common shares being issued and outstanding following the consolidation.

Optimind has agreed to complete a concurrent financing of a minimum of $394,000 (Cdn$ 500,000) and a maximum of $592,000 (Cdn$ 750,000) comprised of subscription receipts that are automatically exchangeable for convertible debentures of the resulting issuer which will have the following terms: (i) matures 18 months from commencement of trading of the

Resulting Issuer Shares on the Canadian Securities Exchange ("**CSE**"); (ii) 10% interest per annum and payable on maturity; (iii) convertible at Cdn$ 0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at Cdn$ 0.40 per share for two years from the issue date of the convertible debenture; and, (iv) forced conversion of the convertible debenture if the shares close higher than Cdn$ 0.40 per share for 10 consecutive trading days. Optimind has agreed to have a minimum of $1,380,00 (Cdn$1,750,000) in cash on closing of the Transaction. Completion of the Transaction is subject to a number of conditions and there can be no assurance that the Transaction will be completed as proposed or at all.

Optimind is a Canadian pharmaceutical company which has developed a clinic based business model for psychedelic assisted psychotherapy for the treatment of depression, anxiety and post-traumatic stress syndrome. Optimind has set up a joint venture with an Indigenous owned pharmaceutical company to help bring awareness to the benefits of psychedelic-assisted psychotherapy and advocate for federal approvals to treat depression and anxiety, which remains a disproportionately large issue for the indigenous community.

Loon is a Reporting Issuer in Canada, whose common shares were traded under the symbol "LNE" on the TSXV until March 3, 2017, when the Company's listing transferred to NEX, and its trading symbol changed to "LNE.H". Loon's shares were suspended from trading on October 31, 2018 and resumed trading on October 8, 2020. Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the transaction.

Operations Overview

The Company no longer conducts any active oil and gas operations, and its present activities consist solely of investigating and evaluating potential business opportunities.

Significant factors affecting Company's results of operations

The Company has not conducted any active oil and gas operations during 2022 and 2021, though the Company continues to evaluate other business opportunities, including the potential acquisition of international oil and gas interests.

Selected annual information

	As at March 31, 2022	As at December 31, 2021
Current assets	$ 4,352	$ 17,133
Current liabilities	(148,969)	(148,887)
	$ (144,617)	$ (131,754)

Results of operations	Three months ended March 31, 2022	2021
Expenses		
General and administrative	$ (7,225)	$ (17,334)
Share-based compensation	-	(34,256)
	(7,255)	(51,590)
Finance costs		
Interest expense	(3,568)	
Foreign exchange loss	(2,070)	(701)
	(5,638)	
Net income loss and comprehensive loss	$ (12,863)	$
Net loss per share (basic and diluted)	$ (0.00)	$ (0.01)

The following table summarizes the weighted average number of outstanding common shares used in calculating the net loss per share.

	Three months ended March 31,	
	2022	2021
Net loss attributable to shareholders	$ (12,863)	$ (53,972)
Weighted average number of shares outstanding	*10,250,270*	*10,250,270*
Net loss per share - Basic and diluted	$ (0.00)	$ (0.01)

General and Administrative Expenses

	Three months ended March 31,	
	2022	2021
Advisory costs	$ 11,882	$ 7,158
Other administration costs	12,673	10,176
	24,555	17,334
Less: reimbursements	(17,330)	-
	$ 7,225	$ 17,334

General and Administrative expenses for the three months ended March 31, 2022 are comprised of expenses of $24,555 less a reimbursement by Optimind of 2021 and 2022 expenses of $17,330 for a net expense of $7,225. Before reimbursements, the General and Administrative expense, increased to $24,555 compared to $17,334 for the three months ended March 31, 2021 mainly due to legal fees related to the Transaction.

Interest expense

Interest expense increased to $3,568 during the three months ended March 31, 2022 compared to $1,681 for the three months ended March 31, 2021. During 2021 and continuing through 2022, the Company's expenses have been financed by advances under a secured Promissory Note payable to Mr. Michael Stein, a significant shareholder of the company. The increase of the quarterly comparative interest expense is due to the increase in the outstanding balance of the secured Notes Payable during 2021.

Foreign exchange loss

The Company recorded a foreign exchange loss of $2,070 for the three months ended March 31, 2022 compared to a loss of $701 for the three months ended March 31, 2021. The increase is mainly due to a higher balance of Canadian dollar denominated secured Notes Payable and a relative strengthening of the Canadian dollar in relation to the US dollar.

Summary of Quarterly Data

The following tables set forth selected quarterly financial information for the most recent eight financial quarters.

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net earnings (loss)	$ (12,863)	$ (64,316)	$ (4,107)	$ (14,981)
Per share - basic and diluted	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)
General and administrative	$ 7,225	$ 33,913	$ 4,188	$ 7,460
Advisory costs	11,882	43,291	-	2,747
Other administrative costs	12,673	16,849	4,188	4,713
Reimbursed expenses	(17,330)	(26,227)	-	-
Share-based compensation	$ -	$ 27,143	$ -	$ 4,381
Interest expense	$ 3,568	$ 2,707	$ 2,364	$ 2,308
Foreign exchange loss (gain)	$ 2,070	$ 553	$ (2,445)	$ 832
Working capital deficiency	$ (144,617)	$ (131,754)	$ (94,581)	$ (90,474)

	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Net earnings (loss)	$ (53,972)	$ 95,996	$ 24,514	$ (34,448)
Per share - basic and diluted	$ (0.01)	$ 0.02	$ 0.00	$ (0.00)
General and administrative	$ 17,334	$ 49,310	$ 3,025	$ 3,844
Advisory costs	7,158	29,879	-	-
Other administrative costs	10,176	19,431	3,025	3,844
Share-based compensation	34,256			
Interest expense	$ 1,681	$ 716	$ 222	$ 16,655
Foreign exchange loss (gain)	$ 701	$ 6,562	$ 8,064	$ 13,949
Gain on settlements of debts	$ 152,584	$ 152,584	$ 35,825	$ -

During the first quarter of 2022, the Company incurred a loss of $12,863 due to legal fees related to the Transaction, interest expenses related to secured Notes Payable and an unrealized foreign exchange loss mainly related to Canadian dollar denominated secured Notes Payable.

During the fourth quarter of 2021, the Company incurred a loss of $64,316 due to legal fees related to the Transaction, annual audit fees and a revision to share-based compensation expense.

During the third quarter of 2021, the Company incurred a loss of $4,107 which comprised general and administrative expenses, offset by a foreign exchange gain resulting from the impact of a strengthening of the US dollar on the valuation of Canadian dollar liabilities.

During the second quarter of 2021, the Company incurred a loss of $14,981, which included general and administrative expenses related to public company compliance costs and share-based compensation expense related to incentive share purchase options issued to a new Director.

The Company incurred a loss of $53,972 in the first quarter of 2021, mainly due to the recognition of the estimated fair value

of share purchase options granted to certain Directors and Officers on February 26, 2021.

The net earnings increased significantly in the fourth quarter of 2020 as compared to the other quarters in 2020 due to a gain realized on the settlement of debts with Directors and Officers of the company. The debts were comprised of unpaid fees and Notes including accrued interest. In aggregate, the Directors and Officers forgave $123,030 of unpaid fees and $29,553 of the Notes. The remaining debts of $649,577 were settled on December 8, 2021 by issuance of 4,265,670 shares from treasury. The gain reported in the fourth quarter of 2020 is partially offset by legal fees incurred. The settlements of the debts reduced the working capital deficiency by $745,573. An additional gain on settlements of debts was recorded in the third quarter of 2020 related to the settlement of amounts owing to an arms-length provider of services.

Pursuant to the debt settlement agreements, interest on Notes outstanding on June 30, 2020 was not accrued after June 30, 2020, causing a decrease of the interest expense in the third and fourth quarters of 2020.

During the fourth quarter of 2020, the Company realized a gain of $136,023 on the termination of Notes Payable upon the termination of the PacWest notes.

Share Data

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

The Company's common shares are listed for trading on the NEX board of the TSX Venture Exchange.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares presented throughout the consolidated financial statements and Management's Discussion and Analysis have been adjusted retroactively to reflect the consolidation.

On October 13, 2020, Directors and Officers entered into Settlement Agreements with the Company, whereby the Fees payable to Directors and Officers and Notes payable to related parties were settled for consideration consisting of treasury shares issued by the Company for a portion of the outstanding debts; the remaining unpaid amounts were forgiven by the respective parties.

Pursuant to the Settlement Agreement, on December 8, 2020, the Company issued 4,265,670 common shares at a stated value of $Cdn 0.05 ($US 0.03807) to settle $86,788 of outstanding Fees Payable to Directors and Officers and $562,789 of outstanding Notes and Interest Payable. The Company determined that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlement would fall within a range of $Cdn 0.005 per share to $Cdn 0.05 per share. Management has used a fair market value for the treasury shares issued of $Cdn 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement. The holders of shares issued pursuant to the Settlement Agreements were restricted from trading the shares until after to April 9, 2021.

	Number of Shares	Share Capital
Balances, December 31, 2020	10,250,270	$17,269,736
Shares issued	-	-
Balances, December 31, 2021	10,250,270	$17,269,736
Balances, March 31, 2022	10,250,270	$17,269,736

Stock Options

	As at December 31,		
	2022	2021	2020
	# of options	# of options	# of options
Balance outstanding, beginning of year	600,000	-	-
Options granted	-	900,000	-
Options expired	-	(300,000)	-
Balance outstanding end of year	600,000	600,000	-

On February 26, 2021, the Company granted 750,000 incentive share purchase options (the "Options") to certain Directors and Officers. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

On June 4, 2021 two Officers holding 300,000 of the 750,000 Options granted on February 26, 2021 resigned from the Company. Under the terms of the Option agreements, the Options expired 90 days following the date of resignation, on September 2, 2021.

On June 16, 2021 the Company granted 150,000 Options to a Director of the Company. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

During the three months ended March 31, 2022, the Company recorded share-based compensation of $nil compared to $34,256 recorded during the three months ended March 31, 2021 to recognize the estimated fair value of options granted on February 26, 2021. The fair value of stock options granted was estimated using the Black-sholes Option Pricing Model with the following assumptions:

Risk-free rate:	0.5%
Expected life:	3 years
Expected volatility:	100%
Share price at grant:	Cdn$ 0.12 – Cdn$ 0.15 per share

Related Party Transactions

During the three months ended March 31, 2022, $8,179 of additional funding was advanced to the Company by Mr. Stein in the form of secured notes payable and $21,969 was paid to Mr. Stein in settlement of secured Notes Payable from the proceeds of expense reimbursements paid by Optimind.

During the year ended December 31, 2021, additional funding was advanced to the Company by Mr. Michael Stein, a former member of the Board of Directors in the form of secured Notes Payable which totaled $60,313.

As at March 31, 2022 the balance of secured Notes Payable to Mr. Stein was in the amount of $113,558 (Cdn$ 141,894) plus $$3,616 (Cdn$4,518) of accrued interest. These secured Notes Payable include a secured Note in the amount of $24,813 which was assigned to Mr. Stein on February 26, 2021, pursuant to an agreement between Mr. Stein and Mr. Timothy Elliott, Chairman of the Board.

The Notes Payable are secured, due on demand and bear interest calculated at a rate of 12% per annum and compounded annually on December 31. Upon demand notice having been received, the interest rate increases to 24% per annum on any balance that remains unpaid. On December 31, 2021 accrued interest of $9,060 (2020 - $965) was added to the Principal and will accrue interest from that date forward.

Effective October 27, 2021, Mr. Stein resigned as a Director and Officer of the Company for personal reasons.

Liquidity and Capital Resources

The Company was formerly an oil and gas exploration and development company with activities in Colombia, Peru and Guatemala. The Company's last remaining property interest was in Colombia, and this property interest, which had no proved reserves and did not generate positive net production revenue was relinquished during 2017 as part of a settlement of the Company's obligations arising from its interest in this property.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Beginning in 2014 and continuing through 2022, certain members of the Company's Board of Directors and a significant shareholder advanced cash to fund Loon's activities.

As at March 31, 2022, the Company had a working capital deficiency of $144,617 of which $117,174 is the aggregate of Notes Payable to a shareholder of the Company. The need to raise capital to fund the working capital deficiency, ongoing operations, and the acquisition of future business opportunities that may arise, indicates the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity or debt will be available when needed. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

Financial Risk Management

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's net income or the value of its financial instruments.

Interest rate risk

The Company maintains its cash and cash equivalents in instruments that are redeemable at any time without penalty thereby reducing its exposure to interest rate fluctuations thereon. Interest rate risk is not considered material.

Foreign currency exchange risk

The Company is exposed to risks arising from fluctuations in currency exchange rates between the Canadian dollar ("CAD") and the United States dollar. At March 31, 2022 and December 31, 2021 the Company's primary foreign currency exposure relates to Canadian dollar cash balances and accounts receivable net of accounts payable and accrued liabilities in Canada as follows:

	As at December 31,	
	2022	2021
Cash	$ 639	$ 659
Prepaid expenses and other receivables	4,841	19,836
Accounts payable	(39,732)	(29,403)
Notes payable to related parties	(146,413)	(159,351)
Net foreign exchange exposure	$ (180,665)	$ (168,259)
$US equivalent at period end exchange rate	$ (144,586)	$ (132,733)

Based on the net foreign exposure at the end of the year, if these currencies had strengthened or weakened by 10% compared to the U.S. dollar and all other variables were held constant, the after-tax net earnings would have decreased or increased by approximately $14,459 (December 31, 2021 - $13,273).

Credit Risk

Management monitors credit risk by reviewing the credit quality of the financial institutions that hold the cash and cash equivalents.

The Company's accounts receivable as at March 31, 2022 included $2,874 (December 31, 2021 - $2,555) of goods and services taxes recoverable from the Government of Canada and $nil of reimbursable expenses from Optimind (December 31, 2021 - $13,092). The Company does not consider the credit risk relating to the outstanding amounts to be significant.

Liquidity Risk and Capital Management

The Company entered into the Definitive Agreement with Optimind Pharma Inc, a private company incorporated under the Province of Ontario, whereby Loon has agreed to acquire all of the issued and outstanding shares of Optimind (the "Transaction"). However, without internally generated cash flow and a consequent reliance on shareholder advances to fund activities, there are inherent liquidity risks including the possibility that additional financing may not be available to the Company on either a timely or commercial basis, or that future business opportunities may not be available at a cost the Company can afford. The need to raise capital to fund the working capital deficiency, ongoing operations, and evaluate and acquire new business opportunities creates significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity, debt or farm-out arrangements will be available when needed.

As at March 31, 2022, the Company's working capital deficiency was $144,617 (December 31, 2021 - $131,754). Consistent with prior years, the Company manages its capital structure to maximize financial flexibility, making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Further, each potential acquisition and investment opportunity is assessed to determine the nature and total amount of capital required together with the relative proportions of debt and equity to be deployed. The Company does not presently utilize any quantitative measures to monitor its capital.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 2(b) – Going concern.

During the year ended December 31, 2021, the Company issued stock options to certain Officers and Directors. Management made critical judgments to determine that the fair value of stock option awards. These estimates affect the amount recognized as share-based compensation in the statement of operations and comprehensive income and loss.

At March 31, 2022, there were no other critical judgments required to be made by management when applying the Company's significant accounting policies.

Internal Controls over Financial Reporting

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee meets at least annually with the Company's external auditors to review accounting, internal control, financial reporting, and audit matters. Internal controls over financial reporting have not changed significantly since the last reporting period.

Changes in Accounting Policies

Standards currently adopted

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after March 31, 2022. There are currently no such pronouncements that are expected to have a significant impact on the Company's financial statements.

Forward Looking Statements

This MD&A contains forward-looking statements. These statements relate to future events or future performance of the Company. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "predict", "seek", "propose", "expect", "potential", "continue", and similar expressions are intended to identify forward-looking statements. 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. Such statements reflect the Company's current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance, or achievements to vary from those described in this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated, or expected.

Specific forward-looking statements in this MD&A, among others, include statements pertaining to the following:

- factors upon which the Company will decide whether or not to undertake a specific course of action;
- expectations regarding the Company's ability to raise capital; and
- treatment under governmental regulatory regimes;

With respect to forward-looking statements in this MD&A, the Company has made assumptions, regarding, among other things:

- the impact of increasing competition;
- the Company's ability to obtain additional financing on satisfactory terms; and
- the Company's ability to attract and retain qualified personnel.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

- general economic conditions;
- competition; and
- the availability of capital;

The forward–looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. These statements apply only as of the date of this MD&A.

Novel Coronavirus ("COVID-19")

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Alberta declared a State of Emergency in regards to the pandemic on March 17, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring the closure of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. On April 30, 2020, the Government of Alberta announced a phased relaunch strategy outlining the relaxing of certain measures starting mid-May 2020, conditional on the results of ongoing monitoring of testing results for COVID-19 in the province.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments.

Subsequent Events

During the month of April 2022, Mr. Stein paid expenses of the Company in the amount of Cdn$ 17,031. These payments were added to the balance of the secured Notes Payable and will accrue interest from the date the payments were made.

On April 4, 2022 Optimind advised that it has completed the minimum concurrent financing of Cdn$ 500,000 and is nearing completion of its audited financial statements needed for completion of the Transaction and listing on the CSE.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at **www.sedar.com**. Copies of the information can also be obtained by contacting the Company by e-mail at **hhmckenzie@outlook.com**.

SCHEDULE "C"
FINANCIAL STATEMENTS OF OPTIMIND PHARMA INC.

OPTIMIND PHARMA INC.

Financial Statements
February 28, 2022

(Expressed in Canadian Dollars)

OPTIMIND PHARMA INC.

Table of contents

HARBOURSIDE CPA

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Optimind Pharma Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Optimind Pharma Inc. (the "Company"), which comprise the statement of financial position as at February 28, 2022, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on December 16, 2020 to February 28, 2022 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 February 28, 2022, and its financial performance and its cash flows for the period from incorporation on December 16, 2020 to February 28, 2022 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

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Optimind Pharma Inc.'s ability to continue as a going concern.

Information other than the Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 in this auditor's report. We have nothing to report in this regard.

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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.

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 Mickey Goldstein

HARBOURSIDE CPA LLP

Vancouver, British Columbia

July 29, 2022

Harbourside CPA, LLP

Chartered Professional Accountants

Optimind Pharma Inc.
Statement of Financial Position
As at February 28, 2022
(in Canadian dollars)

ASSETS		
CURRENT		
Cash	$	1,352,293
Restricted cash (Note 10)		506,457
Other receivables		1,810
		1,860,560
Investment in associates (Note 4)		310,000
Right-of-use asset (Note 7)		124,704
Intangible assets (Notes 5, 6**)**		664,377
Goodwill (Note 5)		856,602
TOTAL ASSETS	$	3,816,243
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
CURRENT		
HST payable	$	1,692
Accounts payable and accrued liabilities		132,229
Subscription receipts for convertible debentures (Note 10)		506,457
Current portion of lease liabilities (Note 8)		23,540
		663,918
Non-current portion of lease liabilities (Note 8)		109,459
Deferred tax liability (Notes 5, 15)		3,095
TOTAL LIABILITIES	$	776,472
SHAREHOLDERS' EQUITY		
Share capital (Note9)		3,386,902
Accumulated deficit		(347,131)
TOTAL SHAREHOLDERS' EQUITY	$	3,039,771
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	3,816,243

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Material transaction (Note 16)

Approved on behalf of the Board of Directors:

/s/ Tomas Sipos, Director.

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

Optimind Pharma Inc.
Statement of Loss and Comprehensive Loss
For the period from incorporation on December 16, 2020 to February 28, 2022
(in Canadian dollars)

Revenue	**$**	124,612
Expenses		
Accounting and related fees	**$**	20,000
Amortization of intangible assets (Note 6)		11,510
Amortization of right-of-use asset (Note 7)		24,941
Consulting fees (Note 11)		362,032
Contract work		33,685
Computer and software expenses		2,676
Interest accretion on lease obligation (Note 8)		21,354
Insurance		2,375
Legal expenses		147,682
Maintenance and property taxes		11,313
Office and general		13,569
Total operating expenses		(651,137)
Loss before income taxes	**$**	(526,525)
Deferred tax recovery (Note 15)		179,394
:**Loss and comprehensive loss**	**$**	(347,131)
Loss per share - Basic and Diluted	**$**	(0.01)
Weighted average number of common shares outstanding - Basic and Diluted		43,591,749

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

Optimind Pharma Inc.
Statement of Changes in Shareholders' Equity
For the period from incorporation on December 16, 2020 to February 28, 2022
(in Canadian dollars)

	Number of common shares outstanding	Share capital	Deficit	Total
Shares issued for business acquisition (Note 5)	45,000,000	$ 1,350,000	$ -	$ 1,350,000
Shares issued for investment in associates (Note 4)	7,000,000	210,000	-	210,000
Shares issued for services (Note 11)	1,500,000	45,000	-	45,000
Private placements (Note 9)	13,052,008	1,957,801	-	1,957,801
Share issuance costs (Note 9)	-	(175,899)	-	(175,899)
Net loss for the period	-	-	(347,131)	(347,131)
Balance as at February 28, 2022	66,552,008	$ 3,386,902	$ (347,131)	$ 3,039,771

The accompanying notes are an integral part of these financial statements

Optimind Pharma Inc.
Statement of Cash Flows
For the period from incorporation on December 16, 2020 to February 28, 2022
(in Canadian dollars)

OPERATING ACTIVITIES		
Net loss	$	(347,131)
Non-cash items included in net loss and other adjustments:		
Amortization of intangible assets		11,510
Amortization of right -of-use asset		24,941
Interest accretion on lease obligation		21,354
Issue of common shares for services		45,000
Deferred tax recovery		(179,394)
Changes in non-cash working capital:		
Other receivables		(1,810)
HST payable		1,692
Accounts payable and accrued liabilities		132,229
CASH USED IN OPERATING ACTIVITIES		**(291,609)**
INVESTING ACTIVITIES		
Investment in associates in cash		(100,000)
CASH USED IN INVESTING ACTIVITIES		**(100,000)**
FINANCING ACTIVITIES		
Issuance of share capital for cash		1,957,801
Share issuance costs		(175,899)
Subscription receipts for convertible debentures		506,457
Repayment of lease liabilities		(38,000)
CASH PROVIDED BY FINANCING ACTIVITIES		**2,250,359**
NET CHANGE IN CASH DURING THE PERIOD		**1,858,750**
CASH, BEGINNING OF PERIOD		-
CASH, END OF PERIOD	$	**1,858,750**
Cash consists of:		
Cash	$	**1,352,293**
Restricted cash		**506,457**
	$	**1,858,750**
Cash paid for interest and income taxes	$	-

Non-cash transactions

a) The Company issued 45,000,000 common shares fair valued at $1,350,000 for a business acquisition.
b) The Company issued 7,000,000 common shares fair valued at $210,000 for investment in associates.
c) The Company issued 1,500,000 common shares fair valued at $45,000 for services.

The accompanying notes are an integral part of these financial statements

1. Organization and Nature of Operations

Optimind Pharma Inc. (the "Company", or "Optimind") was incorporated under the laws of the province of Ontario on December 16, 2020 as 2800695 Ontario Inc. On April 27, 2021, the Company changed its name to Optimind Pharma Inc.

On April 27, 2021, the Company issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

On April 30, 2021, the Company executed a share exchange agreement with Manitari Pharma Inc. ("Manitari"). The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America.

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Board of Directors of the Company authorized these financial statements for issuance on July 29, 2022.

2. Basis of Presentation and Going Concern

Basis of Preparation

These financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

These financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At February 28, 2022, the Company had cash of $1,352,293, restricted cash of $506,457, working capital of $1,196,642 and an accumulated deficit of $347,131. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

Since March, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

These uncertainties may cast significant doubt about the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

Management had to apply judgement with respect to whether the assignment and acquisition of the assets and business of Redytogo Clinic at London, Ontario were asset or business acquisition. The assessments required management to assess the inputs, processes and outputs of the business acquired at the time of acquisition. Pursuant to the assessment, the acquisition was considered business acquisition.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Determination of Purchase Price Allocation

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. The fair value of identified intangible assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units ("CGUs"), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash

Cash comprises of cash held in trust. The Company does not invest in any asset-backed deposits or investments.

Restricted Cash

Restricted cash represents cash held in escrow until the completion of a Going Public Transaction, which refers to (i) an initial public offering by the Company; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange; or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Company with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States on terms determined by the board of directors of the Company.

3. Significant Accounting Policies (Cont'd)

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Development costs are capitalized only if the costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the statement of net loss and comprehensive loss in the expense category that is consistent with the function of the intangible assets.

3. Significant Accounting Policies (Cont'd)

Intangible assets (Cont'd)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit ("CGU") level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortization is recorded using the straight-line method and is intended to amortize the cost of the assets over their estimated useful lives as follows:

Customer Relationships	8 years straight line
Brand	Indefinite

Impairment

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount.

3. Significant Accounting Policies (Cont'd)

Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Classification**
Cash	FVTPL
Restricted cash	FVTPL
Other receivables	Amortized cost
Accounts payable	Amortized cost
Subscription receipts for convertible debentures	Amortized cost
Accounts payable	Amortized cost

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and restricted cash have been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that 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. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Significant Accounting Policies (Cont'd)

Revenue

Revenue is derived from business of Redytogo Clinic operating in London, Ontario relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. Revenue is recognized on receipt of referral funds from the participating licensed producer of cannabis and from participating pharmacies for Ketamine

Business Combinations

Acquisitions have been accounted for using the acquisition method required by IFRS 3, *Business Combinations* ("IFRS 3"). Goodwill arising from acquisitions is measured as the fair value of the consideration transferred less the net recognized amount of the estimated fair value of identifiable assets acquired and liabilities assumed (subject to certain exemptions to fair value measurement principles such as deferred tax assets or liabilities), all measured as of the acquisition date. Transaction costs that are incurred by the Company in connection with a business combination are expensed as incurred (except for costs directly related to the issuance of shares which are recognized in equity).

The Company uses its best estimates and assumptions to accurately value assets and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, and these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with a corresponding offset to goodwill. On conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in profit and loss.

New Accounting standards applied

The Company adopted the amendments that were issued by the IASB on October 22, 2018, to IFRS 3, which clarified the classification of whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The adoption of the amendment to IFRS 3 had no significant impact on the Company's financial statements as at and for the period ended February 28, 2022.

(in Canadian dollars)

4. Investment in Associates

Manitari Pharma Inc. (“Manitari”)

The Company owns a 40% interest in Manitari giving it significant influence over its operations. The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America. As the Company does not have the current ability to control the key operating activities of Manitari, it is accounted for using the equity method. As at February 28, 2022, the Company had advanced cash of $100,000 to Manitari in addition to its 40% ownership and control, by issue of 7,000,000 common shares valued at $210,000.

A summary of the assets, liabilities and operations of Manitari are presented below:

		February 28, 2022
Financial position		
Current assets	$	500
Non-current assets	$	99,500
Current liabilities	$	-
Non-current liabilities	$	100,000
For the period ended		**February 28, 2022**
Statement of earnings (loss)		
Revenue	$	-
Expenses	$	-
Operating income (loss)	$	-
Net earnings (loss)	$	-

(in Canadian dollars)

5. Business Acquisition of Redytogo Limited

On April 27, 2021, the Company acquired the right, title and interest in the assets and business of Readytogo Clinic operating in London, Ontario. The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. As a consideration for the Transaction, the Company issued 45,000,000 common shares of the Company at a price of $0.03 per share for a total consideration of $1,350,000 (the "Purchase Price").

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets acquired.

Consideration	$
45,000,000 common shares issued at $0.03 per share	1,350,000
	1,350,000

Purchase Price allocation	$
Goodwill	856,602
Deferred tax liability	(182,489)
Intangible assets	
Customer Relationships (amortized over a period of 8 years)	110,500
Brand (Indefinite life)	565,387
	1,350,000

The following table summarizes the amount of revenue and profit and loss of Redytogo Clinic since the acquisition date of April 27, 2021 to February 28, 2022 included in the consolidated statement of loss and comprehensive loss; and the profit and loss of the consolidated entity as though the acquisition occurred on December 10, 2021 (the first day of the reporting period):

	Redytogo Clinic from April 27, 2021 to February 28, 2022	**Consolidated entity from December 16, 2021 to February 28, 2022**
	$	**$**
Revenue	124,612	178,946
Net income (loss)	(6,800)	(344,499)

(in Canadian dollars)

6. Intangible Assets

	Customer Relationships	Brand	Total
	$	$	$
Cost:			
December 16, 2020	-	-	-
Additions	110,500	565,387	675,887
February 28, 2022	110,500	565,387	675,887
Accumulated amortization:			
December 16, 2020	-	-	-
Charge for the period	11,510	-	11,510
February 28, 2022	11,510	-	11,510
Net book value:			
At February 28, 2022	98,990	565,387	664,377

7. Right-of-use Asset

The following shows the movement of the Company's right-of-use asset.

	Right of Use Asset
	$
Cost:	
December 16, 2020	-
Additions	149,645
February 28, 2022	149,654
Accumulated amortization:	
December 16, 2020	-
Charge for the period	24,941
February 28, 2022	24,941
Net book value:	
At February 28, 2022	124,704

Right-of-use asset includes office space amortized over the period of lease.

(in Canadian dollars)

8. Lease Liability

At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18% which is the Company's incremental borrowing rate.

	$
Additions on May 1. 2021	149,645
Accretion on lease obligation	21,354-
Lease payments made	(38,000)
February 28, 2022	132,999

Less than one year	-	-	23,540-
Greater than one year			109,459
Total lease obligation			132,999

The Company's future minimum lease payments are as follows:

	$
Due in the next 12 months	45,600
Due in the 1-2 years	45,600
Due in 2-3 years	45,600
Due in 3-4 years	45,600
Due in 4-5 years	7,600
	190,000

9. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At February 28, 2022, the Company has 66,552,008 common shares issued and outstanding.

b) Share issuances

During the period ended February 28, 2022

- On April 27, 2021, the Company issued 45,000,000 common shares at $0.03 per share to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario (Note 5)
- On April 30, 2021, the Company issued 7,000,000 common shares at $0.03 per share to acquire a 40% ownership and control of Manitari Pharma Inc. (Note 4).
- On April 30, 2021, the Company issued 1,500,000 common shares at $0.03 per share for services.
- On August 4, 2021, the Company issued 13,052,008 common shares at $0.15 per share in private placements and raised $1,957,801.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $175,899.

As at February 28, 2022, the Company has no stock options of warrants outstanding.

(in Canadian dollars)

10. Subscription receipts for convertible debentures

As of February 28, 2022, the Company had received cash in escrow for $506,457 for subscription receipts. Each subscription receipt shall be exercisable into one $1,000 principal amount convertible debenture of the Company, on the Going Public Event, which shall have the following terms:

(i) Matures 18 months from commencement of trading of the Resulting Issuer Shares on the Canadian Stock Exchange;
(ii) 10% interest per annum payable on maturity
(iii) Convertible at $0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at $0.40 per share for two years from the issue date of the convertible debenture; and
(iv) Forced conversion of the convertible debenture if the shares close higher than $0.40 per share for 10 consecutive trading days

"Going Public Event" means any one of (i) an initial public offering by the Company; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange (TSXV); or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Company with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States on terms determined by the board of directors of the Company.

11. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO")

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		February 28, 2022
Consulting fees paid to the CEO	$	18,080
Common shares issued for services to the CEO		45,000
Consulting fees paid to the CFO		8,475
	$	71,555

At February 28, 2022, there was $nil due to the CEO and $nil due to the CFO for services.

12. Financial Instruments

The Company's financial instruments consist of cash, restricted cash, other receivables, accounts payable, and subscription receipts for convertible debentures. The fair value of the Company's other receivables, accounts payable and subscription receipts for convertible debentures approximates carrying value, due to their short-term nature. The Company's cash and restricted cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from a major customer, as during the period ended February 28, 2022, 86% of its revenue comes from this major customer.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at February 28, 2022, the Company had sufficient unrestricted cash of $1,352,293 to settle current liabilities of $157,461.

12. Financial Instruments (Cont'd)

Financial risk management and objectives (Cont'd)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant current risk.

13. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at February 28, 2022 totaled $3,039,771. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

(in Canadian dollars)

14. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

		February 28, 2022
Loss for the period, before tax	$	(526,525)
Tax rate		27%
Expected income tax recoverable at statutory rate		(142,162)
Share issuance costs		(47,493)
Other items		13,356
Change in unrecognized deductible temporary differences		(3,095)
Total deferred tax recovery	$	(179,394)

Deferred tax assets and liabilities

The tax effects of temporary differences that give rise to deferred income tax assets (liabilities)are as follows:

		February 28, 2022
Non-capital losses available for future period	$	136,053
Share issuance costs		37,994
Right of use asset		(33,670)
Lease liability		35,910
Intangible assets		(179,382)
Net deferred tax liabilities	$	(3,095)

The significant components of the Company's deferred tax assets are as follows:

		February 28, 2021	Expiry Date
Non-capital losses	$	503,900	2042
Share issuance costs	$	140,719	2025
Lease liability	$	132,999	No expiry date

Tax attributes are subject to review and potential adjustment by tax authorities.

15. Segment Information

The Company is in the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. In addition, the Company has a 40% ownership interest in Manitari, which has applied for a Psilocybin dealers license to produce Psilocybin

For the period ended February 28, 2022, the Company's entire revenue comprises of Ketamine and cannabis referrals. All assets are in Canada.

16. Material Transaction

On November 16, 2021, the Company announced that it has entered into a definitive acquisition agreement the "Definitive Agreement") with Loon Energy Corporation. ("Loon"), (TSXV:LNE) whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of Loon for each Target Share.

The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 1000033135 Ontario Inc., a wholly owned subsidiary of Loon ("Subco") will amalgamate with Optimind (the "Amalgamation").

As part of the Transaction, Loon has agreed to settle up to $175,000 of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of $0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 7,500,000 Loon common shares being issued and outstanding following the consolidation. The number of Loon common shares were revised to 8,650,000 in accordance with the amending agreement on June 30, 2022.

Loon will make an application to voluntarily delist its common shares from the TSX Venture Exchange ("TSXV") and seek a listing of its common shares on the Canadian Securities Exchange ("CSE") as part of the Transaction.

OPTIMIND PHARMA INC.

Condensed Interim Financial Statements

For the three months ended May 31, 2022

(Expressed in Canadian Dollars)

OPTIMIND PHARMA INC.

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Optimind Pharma Inc.
Interim Statements of Financial Position
(in Canadian dollars)
(Unaudited)

ASSETS		**May 31, 2022**		February 28, 2022
CURRENT				
Cash	$	1,157,872	$	1,352,293
Restricted cash (Note 10)		507,000		506,457
Accounts receivable		27,497		-
Other receivables		-		1,810
		1,692,369		1,860,560
Investment in associates (Note 4)		355,500		310,000
Right-of-use asset (Note 7)		117,222		124,704
Intangible assets (Notes 5, 6**)**		660,924		664,377
Goodwill (Note 5)		856,602		856,602
TOTAL ASSETS	**$**	**3,682,617**	$	3,816,243
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
HST payable	$	4,252	$	1,692
Accounts payable and accrued liabilities		128,447		132,229
Subscription receipts for convertible debentures (Note 10)		507,000		506,457
Other payables		4,140		-
Current portion of lease liabilities (Note 8)		24,615		23,540
		668,454		663,918
Non-current portion of lease liabilities (Note 8)		102,887		109,459
Deferred tax liability (Notes 5)		-		3,095
TOTAL LIABILITIES		771,341		776,472
SHAREHOLDERS' EQUITY				
Share capital (Note 9)		3,386,902		3,386,902
Accumulated deficit		(475,626)		(347,131)
TOTAL SHAREHOLDERS' EQUITY		2,911,276		3,039,771
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**3,682,617**	$	3,816,243

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Material transaction (Note 15)

Approved on behalf of the Board of Directors:

/s/ Tomas Sipos, Director.

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

Optimind Pharma Inc.
Interim Statements of Loss and Comprehensive Loss
For the three-months ended May 31, 2022, and the period from incorporation on December 16, 2020 to May 31, 2021
(in Canadian dollars)
(Unaudited)

		May 31, 2022		December 16, 2020 to May 31, 2021
Revenue	**$**	39,997	$	17,232
Expenses				
Accounting and related fees	**$**	6,000		2,000
Amortization of intangible assets (Note 6)		3,453		1,151
Amortization of right-of-use asset (Note 7)		7,482		2,494
Consulting fees (Note 11)		107,589		106,126
Contract work		20,074		2,646
Computer and software expenses		155		378
Interest accretion on lease obligation (Note 8)		5,903		2,245
Insurance		-		2,375
Legal expenses		19,407		905
Maintenance and property taxes		-		624
Office and general		1,524		1,122
Total operating expenses		(171,587)		(122,066)
Loss before income taxes	**$**	(131,590)	$	(104,834)
Deferred tax recovery		3,095		-
:**Loss and comprehensive loss**	**$**	(128,495)	$	(104,834)
Loss per share - Basic and Diluted	**$**	(0.002)	$	(0.010)
Weighted average number of common shares outstanding - Basic and Diluted		66,552,008		10,804,217

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

Optimind Pharma Inc.
Interim Statements of Changes in Shareholders' Equity
(in Canadian dollars)
(Unaudited)

	Number of common shares outstanding	Share capital	Share subscriptions	Deficit	Total
Shares issued for business acquisition (Note 5)	45,000,000	$ 1,350,000	$	$ -	$ 1,350,000
Shares issued for investment in associates (Note 4)	7,000,000	210,000		-	210,000
Shares issued for services (Note 11)	1,500,000	45,000		-	45,000
Share subscriptions (Note 9)	-	-	1,893,403	-	1,893,403
Net loss for the period	-	-		(104,834)	(104,834)
Balance as at May 31, 2021	53,500,000	$ 1,605,000	$ 1,893,403	$ (104,834)	$ 3,393,569
Balance as of February 28, 2022	66,552,008	$ 3,386,902	$	$ (347,131)	$ 3,039,771
Net loss for the period	-	-		(128,495)	(128,495)
Balance as at May 31, 2022	66,552,008	$ 3,386,902	$	$ (475,626)	$ 2,911,276

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

Optimind Pharma Inc.
Interim Statements of Cash Flows
For the three-months ended May 31, 2022, and the period from incorporation on December 16, 2020 to May 31, 2021
(in Canadian dollars)
(Unaudited)

		May 31, 2022		December 16, 2020 to May 31, 2021
OPERATING ACTIVITIES				
Net loss	$	(128,495)	$	(104,834)
Non-cash items included in net loss and other adjustments:				
Amortization of intangible assets		3,453		1,151
Amortization of right -of-use asset		7,482		2,494
Interest accretion on lease obligation		5,903		2,245
Issue of common shares for services		-		45,000
Deferred tax recovery		(3,095)		-
Changes in non-cash working capital:				
Accounts receivables		(27,497)		-
Other receivables		1,810		(2,810)
HST payable		2,560		1,118
Other payables		4,140		-
Accounts payable and accrued liabilities		(3,782)		-
CASH USED IN OPERATING ACTIVITIES		**(137,521)**		**(55,636)**
INVESTING ACTIVITIES				
Investment in associates in cash		(45,500)		-
CASH USED IN INVESTING ACTIVITIES		**(45,500)**		**-**
FINANCING ACTIVITIES				
Subscription for shares		-		1,893,403
Subscription receipts for convertible debentures		543		-
Repayment of lease liabilities		(11,400)		(3,800)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES		**(10,857)**		**1,889,603**
NET CHANGE IN CASH DURING THE PERIOD		**(193,878)**		**1,833,967**
CASH, BEGINNING OF PERIOD		**1,858,750**		**-**
CASH, END OF PERIOD	$	**1,664,872**	$	**1,833,967**
Cash consists of:				
Cash	$	**1,157,872**	$	**1,833,967**
Restricted cash	$	**507,000**		**-**
	$	**1,664,872**	$	**1,833,967**
Cash paid for interest and income taxes	$	**-**	$	-

Non-cash transactions:

There were no non-cash transactions during the period ended May 31, 2022.

The following were noncash transactions during the period ended May 31, 2021:

a) The Company issued 45,000,000 common shares fair valued at $1,350,000 for a business acquisition.
b) The Company issued 7,000,000 common shares fair valued at $210,000 for investment in associates.
c) The Company issued 1,500,000 common shares fair valued at $45,000 for services.

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

1. Organization and Nature of Operations

Optimind Pharma Inc. (the “Company”, or “Optimind”) was incorporated under the laws of the province of Ontario on December 16, 2020, as 2800695 Ontario Inc. On April 27, 2021, the Company changed its name to Optimind Pharma Inc.

On April 27, 2021, the Company issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

On April 30, 2021, the Company executed a share exchange agreement with Manitari Pharma Inc. (“Manitari”). The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America.

The Company’s corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Board of Directors of the Company authorized these financial statements for issuance on July 29, 2022.

2. Basis of Presentation and Going Concern

Basis of Preparation

These condensed interim financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, which is also the Company’s reporting currency.

Statement of Compliance

These condensed interim financial statements (the "Financial Statements") are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The condensed interim financial statements should be read in conjunction with the annual audited financial statements for the period ended February 28, 2022, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”). The unaudited condensed interim financial statements are based on accounting policies as described in the February 28, 2022 audited financial statements.

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

These financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At May 31, 2022, the Company had cash of $1,157,872, restricted cash of $507,000, working capital of $1,023,915 and an accumulated deficit of $475,626. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

Since March, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

These uncertainties may cast significant doubt about the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

Management had to apply judgement with respect to whether the assignment and acquisition of the assets and business of Redytogo Clinic at London, Ontario were asset or business acquisition. The assessments required management to assess the inputs, processes and outputs of the business acquired at the time of acquisition. Pursuant to the assessment, the acquisition was considered business acquisition.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Determination of Purchase Price Allocation

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. The fair value of identified intangible assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units ("CGUs"), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

3. Significant Accounting Policies

The accounting policies set out in the financial statements for the period ended February 28, 2022, have been applied consistently to all periods presented in these interim financial statements.

(in Canadian dollars)

4. Investment in Associates

Manitari Pharma Inc. ("Manitari")

The Company owns a 40% interest in Manitari giving it significant influence over its operations. The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America. As the Company does not have the current ability to control the key operating activities of Manitari, it is accounted for using the equity method. As at May 31, 2022, the Company had advanced cash of $145,500 to Manitari in addition to its 40% ownership and control, by issue of 7,000,000 common shares valued at $210,000.

A summary of the assets, liabilities and operations of Manitari are presented below:

		May 31, 2022	February 28, 2022
Financial position			
Current assets	$	-	$ 500
Non-current assets	$	145,500	$ 99,500
Current liabilities	$	-	$ -
Non-current liabilities	$	145,500	$ 100,000
For the period ended		**May 31, 2022**	**May 31, 2021**
Statement of earnings (loss)			
Revenue	$	-	$ -
Expenses	$	-	$ -
Operating income (loss)	$	-	$ -
Net earnings (loss)	$	-	$ -

(in Canadian dollars)

5. Business Acquisition of Redytogo Limited

On April 27, 2021, the Company acquired the right, title and interest in the assets and business of Readytogo Clinic operating in London, Ontario. The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. As a consideration for the Transaction, the Company issued 45,000,000 common shares of the Company at a price of $0.03 per share for a total consideration of $1,350,000 (the "Purchase Price").

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets acquired.

Consideration	$
45,000,000 common shares issued at $0.03 per share	1,350,000
	1,350,000

Purchase Price allocation	$
Goodwill	856,602
Deferred tax liability	(182,489)
Intangible assets	
Customer Relationships (amortized over a period of 8 years)	110,500
Brand (Indefinite life)	565,387
	1,350,000

(in Canadian dollars)

6. Intangible Assets

	Customer Relationships	Brand	Total
	$	$	$
Cost:			
December 16, 2020	-	-	-
Additions	110,500	565,387	675,887
February 28, 2022	110,500	565,387	675,887
Additions	-	-	-
May 31, 2022	110,500	565,387	675,887
Accumulated amortization:			
December 16, 2020	-	-	-
Charge for the period	11,510	-	11,510
February 28, 2022	11,510	-	11,510
Charge for the period	3,453	-	3,453
May 31, 2022	14,963	-	14,963
Net Book Value:			
At May 31, 2022	95,537	565,387	660,924
At February 28, 2022	98,990	565,387	664,377

(in Canadian dollars)

7. Right-of-use Asset

The following shows the movement of the Company's right-of-use asset.

	Right of Use Asset $
Cost:	
December 16, 2020	-
Additions	149,645
February 28, 2022	149,654
Additions	-
May 31, 2022	149,645
Accumulated amortization:	
December 16, 2020	-
Charge for the period	24,941
February 28, 2022	24,941
Charge for the period	7,482
May 31, 2022	32,423
Net Book Value:	
At May 31, 2022	117,222
At February 28, 2022	124,704

Right-of-use asset includes office space amortized over the period of lease.

(in Canadian dollars)

8. Lease Liability

At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18% which is the Company's incremental borrowing rate.

	$
Additions on May 1. 2021	149,645
Accretion on lease obligation	21,354
Lease payments made	(38,000)
February 28, 2022	132,999
Accretion on lease obligation	5,903
Lease payments made	(11,400)
May 31, 2022	127,502

Less than one year	24,615
Greater than one year	102,887
Total lease obligation	127,502

The Company's future minimum lease payments are as follows:

	$
Due in the next 12 months	45,600
Due in the 1-2 years	45,600
Due in 2-3 years	45,600
Due in 3-4 years	41,800
	178,600

9. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At May 31, 2022, the Company has 66,552,008 common shares issued and outstanding.

b) Share issuances

During the three- month period ended May 31, 2022

- The Company did not issue any shares during the three months ended May 31, 2022. During the three months ended May 31, 2021, the Company received share subscriptions for $1,893,403, being part of the raise for the private placement which closed on August 4, 2021 (as below)

During the period from December 16, 2020 to February 28, 2022

- On April 27, 2021, the Company issued 45,000,000 common shares at $0.03 per share to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario (Note 5)
- On April 30, 2021, the Company issued 7,000,000 common shares at $0.03 per share to acquire a 40% ownership and control of Manitari Pharma Inc. (Note 4).
- On April 30, 2021, the Company issued 1,500,000 common shares at $0.03 per share for services.
- On August 4, 2021, the Company issued 13,052,008 common shares at $0.15 per share in private placements and raised $1,957,801.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $175,899.

As at May 31, 2022 and February 28, 2022, the Company has no stock options of warrants outstanding.

(in Canadian dollars)

10. Subscription receipts for convertible debentures

As of May 31, 2022, the Company had received cash in escrow for $507,000 for subscription receipts. Each subscription receipt shall be exercisable into one $1,000 principal amount convertible debenture of the Company, on the Going Public Event, which shall have the following terms:

(i) Matures 18 months from commencement of trading of the Resulting Issuer Shares on the Canadian Stock Exchange;
(ii) 10% interest per annum payable on maturity
(iii) Convertible at $0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at $0.40 per share for two years from the issue date of the convertible debenture; and
(iv) Forced conversion of the convertible debenture if the shares close higher than $0.40 per share for 10 consecutive trading days

"Going Public Event" means any one of (i) an initial public offering by the Company; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange (TSXV); or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Company with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States on terms determined by the board of directors of the Company.

11. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO")

Transactions with key management personnel not disclosed elsewhere in the financial statements for the three months ended May 31, 2022, and the period from Incorporation on December 16, 2020 to May 31, 2021, include the following:

	May 31, 2022	May 31, 2021
Consulting fees paid to the CEO	$ 6,780	$ -
Common shares issued for services to the CEO	-	45,000
Consulting fees paid to the CFO	11,300	-
	$ 18,080	$ 45,000

At May 31, 2022, there was $nil due to the CEO and $nil due to the CFO for services.

At February 28, 2022 there was $nil due to the CEO and $nil due to the CFO for services.

12. Financial Instruments

The Company's financial instruments consist of cash, restricted cash, accounts receivable, accounts payable, other payables and subscription receipts for convertible debentures. The fair value of the Company's accounts receivable, accounts payable, other payables and subscription receipts for convertible debentures approximates carrying value, due to their short-term nature. The Company's cash and restricted cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk as during the period ended May 31, 2022, 87% of its revenue was from 3 customers (May 31, 2021: 83% from one customer).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at May 31, 2022, the Company had sufficient unrestricted cash of $1,157,872 to settle current liabilities of $161,454.

12. Financial Instruments (Cont'd)

Financial risk management and objectives (Cont'd)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant current risk.

13. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at May 31, 2022 totaled $2,911,276. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's management of capital during the period.

14. Segment Information

The Company is in the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. In addition, the Company has a 40% ownership interest in Manitari, which has applied for a Psilocybin dealers license to produce Psilocybin

For the period ended May 31, 2022 and 2021, the Company's entire revenue comprises of Ketamine and cannabis referrals. All assets are in Canada.

15. Material Transaction

On November 16, 2021, the Company announced that it has entered into a definitive acquisition agreement the "Definitive Agreement") with Loon Energy Corporation. ("Loon"), (TSXV:LNE) whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of Loon for each Target Share.

The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 1000033135 Ontario Inc., a wholly owned subsidiary of Loon ("Subco") will amalgamate with Optimind (the "Amalgamation").

As part of the Transaction, Loon has agreed to settle up to $175,000 of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of $0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 7,500,000 Loon common shares being issued and outstanding following the consolidation. The number of Loon common shares were revised to 8,650,000 in accordance with the amending agreement announced on June 30, 2022.

SCHEDULE "D"
MD&A OF OPTIMIND PHARMA INC.

OPTIMIND PHARMA INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period December 16, 2020 to February 28, 2022

OPTIMIND PHARMA INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period December 16, 2020 to February 28, 2022

(Information as at July 29, 2022 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Optimind Pharma Inc. (the "Company") financial statements for the period December 16, 2020 to February 28, 2022. This MD&A should be read in conjunction with the financial statements of the Company and the notes thereto for the period ended February 28, 2022. The effective date of this report is July 29, 2022. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of February 28, 2022 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

The Company was incorporated under the laws of the province of Ontario on December 16, 2020 as 2800695 Ontario Inc. On April 27, 2021, the Company changed its name to Optimind Pharma Inc.

On April 27, 2021, the Company issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

On April 30, 2021, the Company executed a share exchange agreement with Manitari Pharma Inc. (“Manitari”). The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America.

On April 30, 2021, the Company issued 1,500,000 common shares at $0.03 per share for services.

On August 4, 2021, the Company issued 13,052,008 common shares at $0.15 per share in private placements and raised $1,957,801.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $175,899.

The Company’s corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Company, through its clinic located at 642 Richmond St., London, ON N6A 3G6, specializes in prescribing medical cannabis and other alternative treatments for various medical ailments. The Company prides itself on providing quality education and health care to patients. Medical cannabis has quickly become one of the most prescribed medications in Canada due to its efficacy and safety profile, which remains the primary business of the clinic.

The Company is also an emerging provider of psychedelic-like therapies at its clinic, helping people suffering from PTSD, anxiety, depression, and other mental illnesses and disabilities by providing ketamine-assisted treatment and other psychedelic enhanced psychotherapy modalities. The Company is also partnered with developers of psilocybin-associated treatments and products to further expand its treatment and program offerings.

Ketamine is currently the only legal medicine with psychedelic-like effects (ketamine is an anesthetic) generally available to be prescribed by health care practitioners in Canada. As existing psychedelic medicines become available for use in a therapeutic setting and novel psychedelic medicines become available, the Company intends to explore the use of other methods of psychedelic-enhanced psychotherapy via research, trials and obtaining the advice of experts in the relevant areas either through consulting or employment arrangements provided that such medicines are shown to be beneficial to the Company's then-current or targeted patient population. Ketamine-assisted treatment may be prescribed for depression, PTSD, and such other treatment applications as the clinician treating a patient may, in his or her professional judgement, deem advisable and supported by scientific evidence.

The Company has three steps to its ketamine treatment program:

- **Intake**: The first step in ketamine enhanced psychotherapy is the initial consultation. This includes being assessed by a physician and a clinical psychologist in order to determine the patient's suitability to undergo ketamine-enhanced psychotherapy.

- **Treatment:** The Company has two different types of treatments - monotherapy and assisted therapy, all based on a ketamine capsule. The effects are felt about 30 minutes after, and within 2-4 hours of taking the medicine, cognition is resorted to normal. Through assisted therapy, the patient and the therapist work together towards the desired outcome. In a monotherapy session, each treatment is followed by an assessment from one of the Company's physicians.

- **Heal:** The patient can expect to feel positive, uplifting effects on the first day of treatment. Antidepressant effects are common and as a result, the Company's treatment is useful in the treatment of various health conditions.

Through its investment in Manitari, the Company also engages in a collaborative licensing and R&D agreement with the Mohawk community in Quebec for the development of psilocybin products. Psilocybin is a naturally occurring psychedelic compound found in certain types of mushrooms. Psychedelic mushrooms which contain psilocybin are restricted substances and recreational use of them is prohibited in most countries. Research and development involving psilocybin in Canada can only be conducted with approval by Health Canada. In this respect, Manitari has made an application for a Controlled Substances Dealer's Licence with Health Canada.

A Controlled Substances Dealer's Licence will allow Manitari to conduct a variety of activities relating to psilocybin including research and development, intellectual property development, production of base

substance materials, laboratory analysis, as well as the sale and distribution of the psychedelic compounds to authorized individuals (or their compounding pharmacies), researchers and companies undertaking clinical trials, each retaining appropriate approvals for such possession and use.

With a Controlled Substances Dealer's Licence, Manitari intends on purchasing psilocybin spores from reputable sources to study the chemistry of different strains and variable levels of alkaloid content. Manitari then plans on establishing a genetic library of disease-free psilocybe species, optimize growing techniques, assess biological markets of optimized strains, develop standardized extracts, and create testing methods for psilocybin mushrooms and extracts.

The status of the Controlled Substance Dealer's License from Health Canada is pending. The application was submitted in September 2021, the production facility has already been built and Manitari is currently responding to questions in preparation for the final audit prior to Health Canada issuing the license.

Research and Development

As the Company's business spans different operational models, the Company relies on a variety of researchers, medical professionals, suppliers, manufacturers and service providers for the conduct of its operations. Through its 40% equity investment in Manitari, the Company expects to carry out research and development activities based on a collaborative licensing and R&D agreement with the Mohawk community in Quebec.

In order to develop regulated medicines, the research and development process must be conducted in strict compliance with the regulations of federal, provincial, local and regulatory agencies in Canada. These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

Reverse take-over agreement

On November 16, 2021, the Company announced that it has entered into a definitive acquisition agreement (the "Definitive Agreement") with Loon Energy Corporation. ("Loon"), (TSXV:LNE) whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of Loon for each Target Share.

The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 1000033135 Ontario Inc., a wholly owned subsidiary of Loon ("Subco") will amalgamate with Optimind (the "Amalgamation").

As part of the Transaction, Loon has agreed to settle up to $175,000 of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of $0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 7,500,000 Loon common shares being issued and outstanding following the consolidation. The number of Loon common shares were revised to 8,150,000 in accordance with the amending agreement on December 23, 2021.

Loon will make an application to voluntarily delist its common shares from the TSX Venture Exchange ("TSXV") and seek a listing of its common shares on the Canadian Securities Exchange ("CSE") as part of the Transaction.

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the period from December 16, 2020 (date of incorporation) to February 28, 2022.

	From December 16, 2020 to February 28, 2022
	$
Revenues	**124,612**
Total operating expenses	**(651,137)**
Loss before income taxes	**(526,525)**
Deferred tax recovery	**179,394**
Loss and comprehensive loss	**(347,131)**
Loss per share	
Loss per common share:	
Basic and diluted	**(0.01)**
Weighted average number of common shares outstanding:	
Basic and diluted	**43,591,749**

The chart below presents the summary financial information of the Company:

	As at
	February 28, 2022
Current assets	**$1,860,560**
Noncurrent assets	**$1,955,683**
Total assets	**3,816,243**

Current liabilities	**663,918**
Total long-term liabilities	**112,554**
Shareholders' equity	**3,039,771**
Cash dividends per common share	**NIL**

The chart below presents the summary financial information of the Company for the period December 16, 2020(date of incorporation) to February 28, 2022:

Expenses

Accounting and related fees	**$**	20,000
Amortization of intangible assets		11,510
Amortization of right-of-use asset		24,941
Consulting fees		362,032
Contract work		33,685
Computer and software expenses		2,676
Interest accretion on lease obligation -		21,354
Insurance		2,375
Legal expenses		147,682
Maintenance and property taxes		11,313
Office and general	**$**	13,569
Total operating expenses	**$**	651,137

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Revenue, Expenses and Net Loss for the period from December 16, 2020 to February 28, 2022

Total revenue for the period ended February 28, 2022, were $124,612

Total operating expenses for the period ended February 28, 2022, were $651,137

Total net loss and comprehensive loss for the period ended February 28, 2022, were $526,525

Revenues:

The Company derived revenues for $124,612 from non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

Operating expenses:

Amortization of intangible assets for the period was $11,510. This non-cash expense is the amortization relating to the business acquisition of Redytogo clinic operating in London, Ontario on April 27, 2021.This amortization expense relates to the amortization of only the customer relationships intangible asset which was fair valued at $110,500 and is amortized straight line over a period of 8 years.

Amortization of right-of- use asset for the period was $24,941. The only right-of-use asset being amortized is the 5-year office lease being used by Redytogo clinic. The right of use asset was valued at $149,645 on May 1, 2021, when the lease commenced and is being amortized over a period of 5 years.

Consulting fees for $362,032 includes (1) $18,080 to the CEO for services; (2) $45,000 being the value of common shares issued to the CEO for services and (3) $8,475 to the CFO for services. In addition, the Company engaged consultants for marketing, business relations, business improvement, support, regulatory consulting, and government relations.

Contract work for $33,685 is the expenses paid to independent contractors who service the redytogo business and provide support.

Legal expenses for $147,682 reflects all legal expenses from incorporation of the entity to the business acquisition of redytogo, investment in associates up to finalizing the reverse merger transaction with Loon.

Interest accretion on lease obligation for $21,354. At the commencement date of the lease on May 1, 2021, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18% which is the Company's incremental borrowing rate. During this period ended February 28, 2022, the Company expensed $21,354 being interest accretion on lease obligation.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The

functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Determination of Purchase Price Allocation

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. The fair value of identified intangible assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units ("CGUs"), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

LIQUIDITY AND CAPITAL RESOURCES

At February 28, 2022, the Company had cash of $1,352,293 and working capital of $1,196,642. During the period from incorporation on December 16, 2020 to February 28, 2022, the Company received $2,250,359 from financing activities, used $100,000 in investing activities and used $291,609 in operating activities.

During the period ended February 28, 2022, the Company had cash outflows from operating activities of $291,609, which was a result of the net loss of $347,131, increased by the non- cash items included in net loss of $76,589 and reduced further by changes in non-cash working capital of $132,111. The net loss of $347,131 is primarily the result of consulting and legal expenses incurred (as referred above) during the first reporting period of the Company.

The non- cash items included in net loss for the period ended February 28, 2022, includes amortization of intangible assets for $11,510, amortization of right-of-use asset for $24,941, interest accretion on lease obligation for $21,354 ,shares issued for services for $45,000 and deferred tax recovery for$(179,394).

The non-cash working capital adjustments for the period ended February 28, 2022, includes outflow as a result of other receivables for $1,810 and inflow resulting from HST payable for $1,692 and inflow resulting from accounts payable and accrued liabilities for $132,229.

The Company had outflow from investing activities for $100,000 during the period ended February 28, 2022. This is a result of investment in Manitari Pharma Inc, an associate in cash for $100,000.

The Company had inflow of $2,250,359 from financing activities during the period ended February 28, 2022. The inflow was a result of receipt of $1,781,902 (net of share issuance costs for $175,899) being the issuance of share capital, subscription receipts for convertible debentures for $506,457 and outflow for $38,000 being repayment of lease liabilities.

The Company has financed its operations from inception to date through the issuance of equity shares.

The Company currently has one source of revenue from its business from redytogo clinic. However, the administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

As of February 28, 2022, the Company had raised $506,457 cash in escrow, being subscription for receipts for convertible debentures for the go-public transaction. Each subscription receipt shall be exercisable into one $1,000 principal amount convertible debenture of the Company, on the going public event, which shall have the following terms:

(i) Matures 18 months from commencement of trading of the Resulting Issuer Shares on the CSE;
(ii) 10% interest per annum payable on maturity
(iii) Convertible at $0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at $0.40 per share for two years from the issue date of the convertible debenture: and
(iv) Forced conversion of the convertible debenture if the shares close higher than $0.40 per share for 10 consecutive trading days

"Going Public Event" means any one of (i) an initial public offering by the Company; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange; or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Corporation with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States) on terms determined by the board of directors of the Corporation.

The Company believes it has enough cash to maintain itself for the next 12 months.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

OUTSTANDING SHARE DATA

At February 28, 2022, the Company had 66,552,008 common shares outstanding. As of date of the MD&A, the Company has 66,552,008 common shares outstanding.

Information with respect to outstanding common shares as at June 30, 2020 and the date of the MD&A are as follows:

	Date of MD&A	February 28, 2022
Common shares	66,552,008	66,552,008
Stock options	-	-
Warrants	-	-
Fully diluted shares outstanding	**66,552,008**	**66,552,008**

Share issuances during the period ended February 28, 2022:

- On April 27, 2021, the Company issued 45,000,000 common shares at $0.03 per share to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario.
- On April 30, 2021, the Company issued 7,000,000 common shares at $0.03 per share to acquire a 40% ownership and control of Manitari Pharma Inc.
- On April 30, 2021, the Company issued 1,500,000 common shares at $0.03 per share for services.
- On August 4, 2021, the Company issued 13,052,008 common shares at $0.15 per share in private placements and raised $1,957,801.

In conjunction with the above private placements, the Company incurred share issuance costs of $175,899 in cash.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized

cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Category**	**Measurement**
Cash	FVTPL	Fair value
Restricted cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that 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. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from a major customer, as during the period ended February 28, 2022, 86% of its revenue comes from this major customer.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at February 28, 2022, the Company had sufficient unrestricted cash of $1,352,293 to settle current liabilities of $157,461.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant currency risk as it is not actively dealing in foreign currency.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO")

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		February 28, 2022
Consulting fees paid to the CEO	$	18,080
Common shares issued for services to the CEO		45,000
Consulting fees paid to the CFO		8,475
	$	71,555

At February 28, 2022, there was $nil due to the CEO and $nil due to the CFO for services.

Business acquisition of RedyToGo Limited

On April 27, 2021, the Company acquired the right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario. The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. As a consideration for the Transaction, the Company issued 45,000,000 common shares of the Company at a price of $0.03 per share for a total consideration of $1,350,000 (the "Purchase Price").

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets acquired.

Consideration	**$**
45,000,000 common shares issued at $0.03 per share	1,350,000
	1,350,000

Purchase Price allocation	**$**
Goodwill	856,602
Deferred tax liability	(182,489)
Intangible assets	
Customer Relationships (amortized over a period of 8 years)	110,500
Brand (Indefinite life)	565,387
	1,350,000

Investment in associates

Manitari Pharma Inc. (“Manitari”)
The Company owns a 40% interest in Manitari giving it significant influence over its operations. The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America. As the Company does not have the current ability to control the key operating activities of Manitari, it is accounted for using the equity method. As at February 28, 2022, the Company had advanced cash of $100,000 to Manitari in addition to its 40% ownership and control, by issue of 7,000,000 common shares valued at $210,000.

A summary of the assets, liabilities and operations of Manitari are presented below:

	February 28, 2022
	$
Financial position	
Current assets	500
Non-current assets	99,500
Current liabilities	-
Non-current liabilities	100,000
For the period ended	**February 28, 2022**
Statement of earnings (loss)	$
Revenue	-
Expenses	-
Operating income (loss)	-
Net earnings (loss)	-

MERGER TRANSACTION

On November 16, 2021, the Company announced that it has entered into a definitive acquisition agreement the "Definitive Agreement") with Loon Energy Corporation. ("Loon"), (TSXV:LNE) whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of Loon for each Target Share.

The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 1000033135 Ontario Inc., a wholly owned subsidiary of Loon ("Subco") will amalgamate with Optimind (the "Amalgamation").

As part of the Transaction, Loon has agreed to settle up to $175,000 of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of $0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 7,500,000 Loon common shares being issued and outstanding following the consolidation. The number of Loon common shares were revised to 8,150,000 in accordance with the amending agreement on December 23, 2021.

Loon will make an application to voluntarily delist its common shares from the TSX Venture Exchange ("TSXV") and seek a listing of its common shares on the Canadian Securities Exchange ("CSE") as part of the Transaction.

RISKS AND UNCERTAINTIES

The Company is subject to several risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved.

Novel Coronavirus

The novel coronavirus commonly referred to as "COVID-19" was identified in December 2019 in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. The outbreak has spread throughout Europe, the Middle East and North America, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. There have been a number of COVID-19 variants of concern that have been identified and more variants of concern may develop in the future, which may further affect the Company's business and its ability to plan ahead. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, depending on the length and severity of the pandemic, COVID- 19 could impact the Company's operations, could cause delays relating to government approvals, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19's effect on capital markets.

The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Company has continuously sought to assess the potential impact of the pandemic on its operations, any assessment is subject to extreme uncertainty as to probability, severity and duration. The Company has attempted to assess the impact of the pandemic by identifying risks in the following principle areas:

- **Mandatory Closure**. In response to the pandemic, many provinces, territories and localities have implemented mandatory shut-downs of business to prevent the spread of COVID-19. In the locations where the Company operates or conducts research activity, these activities have been deemed an "essential service", and thus not subject to the mandatory closures applicable to non-essential businesses. If required, the Company will work with governmental authorities to seek temporary measures that allow it to remain operational, however, there is no guarantee that the Company will be permitted to remain operational. The Company's ability to generate revenue and meet its milestones could be materially impacted by any shut down of operations or services.

- **Patient Impact**. If its patients or potential patients become ill with COVID-19, they may be forced to quarantine, decide to self-quarantine or not to visit its clinic to observe "social

distancing", it may have a material negative impact patient acquisition and retention as well as revenues while the pandemic continues.

- **Staffing Disruption**. The Company is, for the time being, implementing among its staff where feasible "social distancing" measures recommended by local authorities. The Company has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work on-site, measures have been implemented to reduce infection risk, such as reducing contact with patients, mandating additional cleaning and hand disinfection and providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Company may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to come to work on their own volition to avoid infection.

The Company is actively addressing the risk to business continuity represented by each of the above factors through the implementation of a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a material impact on the Company's ability to generate revenue.

Risks associated with failure to achieve its publicly announced milestones according to schedule, or at all

From time to time, the Company may announce the timing of certain events it expects to occur, such as the anticipated timing of future clinics becoming operational and research and development updates. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. These variations in timing may occur as a result of different events, beyond the Company's control having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of the Common Shares.

Cannabis and Psilocybin Industry

The Company is operating its business in a relatively new industry and market. In addition to being subject to general business risks, the Company must continue to build awareness in this industry through investments in its strategy and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management’s expectations and assumptions. Any event or circumstance that adversely affects the cannabis or psilocybin industry, such as the legality of products and services, the imposition of restrictions on sales and marketing or restrictions on sales in certain areas, could have a material adverse effect on the Company’s business, financial conditions and results of operations.

Cannabis Regulations

The adult-use and medical cannabis industries and markets are subject to a variety of laws in Canada and internationally.

The business and activities of the Company are heavily regulated. The Company’s operations are subject to various laws, regulations and guidelines by governmental authorities relating to health and safety,

healthcare practitioner services, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services.

To the knowledge of management, the Company is currently in compliance under the Cannabis Act. Failure to comply with the laws and regulations applicable to its operations may lead to possible sanctions; the suspension or expulsion from a particular market; and, the imposition of fines and censures. To the extent that there are changes to the existing or the enactment of future laws and regulations that affect the sale or offering of the Company's product or services in any way it may have a material adverse effect on the Company's business, financial condition and results of operations. Any amendment to or replacement of the Cannabis Act or other applicable rules and regulations governing the Company's activities may cause adverse effects on the Company's business, financial condition and results of operations.

There is also a risk that the Company's interpretation of laws, regulations and guidelines, including, but not limited to the associated regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of governmental authorities, securities regulators and exchanges, and the Company's operations may not be in compliance with such laws, regulations and guidelines.

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks related to regulatory changes of psilocybin

In Canada, psilocybin is classified as a Schedule III drug and ketamine as a Schedule I drug under the CDSA. All activities involving such substances by or on behalf of the Company are conducted in accordance with applicable federal, provincial, and local laws. While the Company is focused on programs using ketamine and psychedelic inspired compounds, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws the jurisdictions in which the Company operates 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 operates, or private citizens or criminal charges.

Any changes in applicable laws and regulations could have an adverse effect on the Company's operations. The psychedelic drug industry is a fairly new industry and the Company cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives

and could have a material adverse effect on the business, financial condition and operating results of the Company.

The success of the Company's business is dependent on its activities being permissible under applicable laws and any reform of controlled substances laws or other laws may have a material impact on the Company's business and success. There is no assurance that activities of the Company will continue to be legally permissible.

Reliance on Manitari and third parties

The Company relies on Manitari to conduct its research and development activities. The Company owns 40% of the issued and outstanding voting securities of Manitari, which is a non-controlling stake. Mantitar activities will be guided by a majority of the voting shareholders of Manitari, and the Company may or may not form part of such majority for the future decisions of Manitari. The Company is also reliance on certain third parties in its research and development. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Company's active development programs will face delays. Further, if any of these third parties fails to perform as the Company expects or if their work fails to meet regulatory requirements, the Company's testing could be delayed, cancelled or rendered ineffective.

Approval of Controlled Substance Dealer's License

Manitari has made an application for a Controlled Substance Dealer's License with Health Canada. Such license will allow Manitari to conduct a variety of activities relating to psilocybin including research and development, intellectual property development, production of base substance materials, laboratory analysis, as well as the sale and distribution of thepsychedelic compounds to authorized individuals (or their compounding pharmacies), researchers and companies undertaking clinical trials, each retaining appropriate approvals for such possession and use. If a Controlled Substance Dealer's License is not granted to Manitari, or is granted but with restrictive terms, it would be a substantial impairment the research and development business of Manitari and the Company.

Violations of laws and regulations could result in repercussions

Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug. The Company's operations are conducted in strict compliance with the laws and regulations regarding its activities with such substances. As such, all facilities engaged with such substances by or on behalf of the Company do so under current licenses, permits and approvals, as applicable, issued by appropriate federal, provincial, state and local governmental agencies. While the Company is focused on programs using ketamine and psychedelic inspired compounds, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws and regulations, such as the CDSA, or of similar legislation in the jurisdictions in which it operates, 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 operates, or private citizens or criminal charges. Any such violations could have an adverse effect on the Company's operations.

Risks Related to Third Party Relationships

The Company has entered into agreements with third parties with respect to its operations. Such relationships could present unforeseen obstacles or costs and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and maintain such relationships. There can be no assurance that such third parties will achieve the expected benefits to the Company's business or that the Company will be able to consummate any future relationships on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations. Any violation of any applicable laws and regulations, such as the CDSA, or of similar legislation in the jurisdictions in which it operates, could result in such third parties suspend or withdraw their services to the Company. The termination or cancellation of any such agreements or the failure of the Company and/or the other parties to these arrangements to fulfill their obligations could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, disagreements between the Company and any of third parties the Company contracts could lead to delays or time consuming and expensive legal proceedings, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Competitive Conditions

The psychedelic therapy business in Canada is an emerging industry with high levels of competition. The Company expects that, due to the urgent need for new and innovative treatments for mental health conditions and the evidence-based studies showing the impact of psychedelics as a treatment for mental health conditions, psychedelics as a treatment for these conditions will become more accepted in the medical community. As such, the Company expects to compete with other similar businesses as well as with individual medical professionals who undertake the prescribing and supervising of psychedelics to their patients. While the Company is an early entrant to the psychedelic-enhanced psychotherapy market in Canada, more market participants will emerged. The Company expects to face intense competition from new or existing market participants, some of which may have greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Negative results from studies of others and adverse safety events involving psychedelics may have an adverse impact on the Company's future commercialization efforts

From time to time, studies or clinical trials on various aspects of psychedelics may be conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to psychedelics could adversely affect the Company's clinical operations, research, share price and ability to finance future operations.

The Company heavily relies on the capabilities and experience of its key executives and personnel and the loss of any of them could have a material adverse impact on the Company

The loss of the Company's executive officers or other key members of the Company's staff, could harm the Company. The Company also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Company. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain

highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Company expands its operations. The Company enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Company also enters into agreements with physicians in the ordinary course of its business. Notwithstanding these arrangements, the Company faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Company cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Company's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

The Company's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business

The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards the Company has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Company. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's reputation. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Company's business and results of operations, including the imposition of substantial fines or other sanctions.

The Company may expand its business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt the Company's business and harm its financial condition

The Company has in the past and may in the future seek to expand its pipeline and capabilities by acquiring one or more companies or businesses or entering into collaborations. Acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting the Company's management's attention away from other business concerns; entering markets in which the Company has limited or no direct experience; and potential loss of the Company's key employees or key employees of the acquired companies or businesses.

The Company's management has experience in making acquisitions and entering collaborations; however, the Company cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. The Company may incorrectly judge the value or worth of an acquired company or business. In addition, the Company's future success depends in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. The Company cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or

manage a collaboration. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

Risks associated with drug development

Given the early stage of the Company's product development, the Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Company currently has no products that have been approved by Health Canada or any similar regulatory authority. To obtain regulatory approvals for its products being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy.

The Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete the Company's cash resources

If and when the Company develops any product, it would be exposed to the risk of product liability claims alleging that use of its product caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of a product and may be made directly by patients involved in clinical trials of its product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling its products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product moves through the development pipeline to commercialization. The Company currently maintains what it views as sufficient liability insurance coverage for its current operations; however, there can be no assurance that such insurance coverage is or will continue to be adequate or available to the Company at a cost acceptable to it or at all. The Company may choose or find it necessary to increase its insurance coverage in the future. The Company may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of its coverage, require the Company to pay a substantial monetary award from its own cash resources and have a material adverse effect on its business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about its products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

Intellectual Property

Failure to obtain or register trademarks used or proposed to be used in the Company's business could require the Company to rebrand, resulting in a material adverse impact on its business. If the Company is unable to register or, if registered, maintain effective patent rights for its product candidates, the Company may not be able to effectively compete in the market. If the Company is not able to protect its proprietary information and know-how, such proprietary information may be used by others to compete against the Company. The Company may not be able to identify infringements of its patents (if and when granted), and, accordingly, the enforcement of its intellectual property rights may be difficult. Once such infringements are identified, enforcement could be costly and time consuming. Third party claims of intellectual property infringement, whether or not reasonable, may prevent or delay the Company's development and commercialization efforts.

The Company's success will depend in part upon its ability to protect its intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection the Company receives. The ability to compete effectively and to achieve partnerships will depend on its ability to develop and maintain proprietary aspects of the Company's technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit its ability to develop and commercialize its products and to conduct its existing research, and could require financial resources to defend litigation, which may be in excess of the Company's ability to raise such funds.

To the extent the Company's intellectual property offers inadequate protection, or is found to be invalid or unenforceable, the Company will be exposed to a greater risk of direct competition. If its intellectual property does not provide adequate protection against the Company's competitors, its competitive position could be adversely affected, as could the Company's business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as do the laws of Canada. The Company will be able to protect its intellectual property from unauthorized use by third parties only to the extent that its proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights, including patents, or are effectively maintained as trade secrets, and provided the Company has the funds to enforce its rights, if necessary.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

The Company's short-term list of objectives is as follows:

The Company intends to work closely with Loon to complete the proposed RTO transaction

OPTIMIND PHARMA INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended May 31, 2022

OPTIMIND PHARMA INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended May 31, 2022

(Information as at July 29, 2022 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Optimind Pharma Inc. (the "Company") unaudited interim financial statements for the three months ended May 31, 2022. This MD&A should be read in conjunction with the financial statements of the Company and the notes thereto for the period ended February 28, 2022 and the interim condensed financial statements for the three months ended May 31, 2022. The effective date of this report is July 29, 2022. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of May 31, 2022 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

The Company was incorporated under the laws of the province of Ontario on December 16, 2020 as 2800695 Ontario Inc. On April 27, 2021, the Company changed its name to Optimind Pharma Inc.

On April 27, 2021, the Company issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

On April 30, 2021, the Company executed a share exchange agreement with Manitari Pharma Inc. (“Manitari”). The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America.

On April 30, 2021, the Company issued 1,500,000 common shares at $0.03 per share for services.

On August 4, 2021, the Company issued 13,052,008 common shares at $0.15 per share in private placements and raised $1,957,801.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $175,899.

The Company’s corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Company, through its clinic located at 642 Richmond St., London, ON N6A 3G6, specializes in prescribing medical cannabis and other alternative treatments for various medical ailments. The Company prides itself on providing quality education and health care to patients. Medical cannabis has quickly become one of the most prescribed medications in Canada due to its efficacy and safety profile, which remains the primary business of the clinic.

The Company is also an emerging provider of psychedelic-like therapies at its clinic, helping people suffering from PTSD, anxiety, depression, and other mental illnesses and disabilities by providing ketamine-assisted treatment and other psychedelic enhanced psychotherapy modalities. The Company is also partnered with developers of psilocybin-associated treatments and products to further expand its treatment and program offerings.

Ketamine is currently the only legal medicine with psychedelic-like effects (ketamine is an anesthetic) generally available to be prescribed by health care practitioners in Canada. As existing psychedelic medicines become available for use in a therapeutic setting and novel psychedelic medicines become available, the Company intends to explore the use of other methods of psychedelic-enhanced psychotherapy via research, trials and obtaining the advice of experts in the relevant areas either through consulting or employment arrangements provided that such medicines are shown to be beneficial to the Company's then-current or targeted patient population. Ketamine-assisted treatment may be prescribed for depression, PTSD, and such other treatment applications as the clinician treating a patient may, in his or her professional judgement, deem advisable and supported by scientific evidence.

The Company has three steps to its ketamine treatment program:

- **Intake**: The first step in ketamine enhanced psychotherapy is the initial consultation. This includes being assessed by a physician and a clinical psychologist in order to determine the patient's suitability to undergo ketamine-enhanced psychotherapy.

- **Treatment:** The Company has two different types of treatments - monotherapy and assisted therapy, all based on a ketamine capsule. The effects are felt about 30 minutes after, and within 2-4 hours of taking the medicine, cognition is resorted to normal. Through assisted therapy, the patient and the therapist work together towards the desired outcome. In a monotherapy session, each treatment is followed by an assessment from one of the Company's physicians.

- **Heal:** The patient can expect to feel positive, uplifting effects on the first day of treatment. Antidepressant effects are common and as a result, the Company's treatment is useful in the treatment of various health conditions.

Through its investment in Manitari, the Company also engages in a collaborative licensing and R&D agreement with the Mohawk community in Quebec for the development of psilocybin products. Psilocybin is a naturally occurring psychedelic compound found in certain types of mushrooms. Psychedelic mushrooms which contain psilocybin are restricted substances and recreational use of them is prohibited in most countries. Research and development involving psilocybin in Canada can only be conducted with approval by Health Canada. In this respect, Manitari has made an application for a Controlled Substances Dealer's Licence with Health Canada.

A Controlled Substances Dealer's Licence will allow Manitari to conduct a variety of activities relating to psilocybin including research and development, intellectual property development, production of base

substance materials, laboratory analysis, as well as the sale and distribution of the psychedelic compounds to authorized individuals (or their compounding pharmacies), researchers and companies undertaking clinical trials, each retaining appropriate approvals for such possession and use.

With a Controlled Substances Dealer's Licence, Manitari intends on purchasing psilocybin spores from reputable sources to study the chemistry of different strains and variable levels of alkaloid content. Manitari then plans on establishing a genetic library of disease-free psilocybe species, optimize growing techniques, assess biological markets of optimized strains, develop standardized extracts, and create testing methods for psilocybin mushrooms and extracts.

The status of the Controlled Substance Dealer's License from Health Canada is pending. The application was submitted in September 2021, the production facility has already been built and Manitari is currently responding to questions in preparation for the final audit prior to Health Canada issuing the license.

Research and Development

As the Company's business spans different operational models, the Company relies on a variety of researchers, medical professionals, suppliers, manufacturers and service providers for the conduct of its operations. Through its 40% equity investment in Manitari, the Company expects to carry out research and development activities based on a collaborative licensing and R&D agreement with the Mohawk community in Quebec.

In order to develop regulated medicines, the research and development process must be conducted in strict compliance with the regulations of federal, provincial, local and regulatory agencies in Canada. These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

Reverse take-over agreement

On November 16, 2021, the Company announced that it has entered into a definitive acquisition agreement (the "Definitive Agreement") with Loon Energy Corporation. ("Loon"), (TSXV:LNE) whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of Loon for each Target Share.

The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 1000033135 Ontario Inc., a wholly owned subsidiary of Loon ("Subco") will amalgamate with Optimind (the "Amalgamation").

As part of the Transaction, Loon has agreed to settle up to $175,000 of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of $0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 7,500,000 Loon common shares being issued and outstanding following the consolidation. The number of Loon common shares were revised to 8,650,000 in accordance with the amending agreement announced on June 30, 2022.

Loon has made an application to voluntarily delist its common shares from the TSX Venture Exchange ("TSXV") and to seek a listing of its common shares on the Canadian Securities Exchange ("CSE") as part of the Transaction.

SELECTED FINANCIAL INFORMATION

For the three-months ended May 31, 2022, and the period from incorporation on December 16, 2020 to May 31, 2021

		May 31, 2022		December 16, 2020 to May 31, 2021
Revenue	**$**	39,997	$	17,232
Expenses				
Accounting and related fees	**$**	6,000		2,000
Amortization of intangible assets		3,453		1,151
Amortization of right-of-use asset		7,482		2,494
Consulting fees		107,589		106,126
Contract work		20,074		2,646
Computer and software expenses		155		378
Interest accretion on lease obligation		5,903		2,245
Insurance		-		2,375
Legal expenses		19,407		905
Maintenance and property taxes		-		624
Office and general		1,524		1,122
Total operating expenses		(171,587)		(122,066)
Loss before income taxes	**$**	(131,590)	$	(104,834)
Deferred tax recovery		3,095		-
Loss and comprehensive loss	**$**	(128,495)	$	(104,834)

The chart below presents the summary financial information of the Company:

	As at May 31, 2022	As at February 28, 2022
Current assets	$1,692,369	$1,860,560
Noncurrent assets	$1,990,248	$1,955,683
Total assets	3,682,617	3,816,243
Current liabilities	668,454	663,918
Total long-term liabilities	102,887	112,554
Shareholders' equity	3,682,617	3,039,771
Cash dividends per common share	NIL	NIL

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Revenue, Expenses and Net Loss for the three-month period ended May 31, 2022 and comparative period from Incorporation on December 16, 2020 to May 31, 2021.

The Company derives revenues from non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. Total revenue for the period ended May 31, 2022, was $39,997 as compared to prior period revenue for $17,232. The revenue included in the financial statements for Optimind for both periods is only from the ReadyToGo clinic operating at London, Ontario. The Company acquired ReadyToGo clinic on April 27, 2021. Prior period revenue includes 33 days of revenues from ReadyToGo clinic whereas the current period revenue includes 92 days from ReadyToGo clinic. During the current period, the Company ended its contract with a major customer and simultaneously signed contracts with other licensed producers. The small drop in revenue was a timing difference.

Total operating expenses for the current period were $171,587 as compared to prior period operating expense for $122,066.

Total net loss and comprehensive loss for the current period was $128,495 as compared to $104,834 for the prior period.

Operating expenses:

Amortization of intangible assets for the current period was $3,453 (prior period $1,151). This non-cash expense is the amortization relating to the business acquisition of Readytogo clinic operating in London, Ontario on April 27, 2021.This amortization expense relates to the amortization of only the customer relationships intangible asset which was fair valued at $110,500 and is amortized straight line over a period of 8 years.

Amortization of right-of- use asset for the current period was $7,482 (prior period $2,494). The only right-of-use asset being amortized is the 5-year office lease being used by Readytogo clinic. The right of use

asset was valued at $149,645 on May 1, 2021, when the lease commenced and is being amortized over a period of 5 years.

Consulting fees for the current period for $107,589 includes (1) $6,780 to the CEO for services and (2) $11,300 to the CFO for services. Consulting fees for the prior period for $106,126 includes (1) $nil to the CEO for services; (2) $45,000 being the value of common shares issued to the CEO for services and (3) $nil to the CFO for services. In addition, the Company engaged consultants for marketing, business relations, business improvement, support, regulatory consulting, and government relations.

Contract work for the current period for $20,074 (prior period $2,646) is the expenses paid to independent contractors who service the Readytogo clinic business and provide support. Prior period included only 33 days post acquisition of the ReadyToGo clinic.

Legal expenses for current period for $19,407 reflects legal expenses incurred primarily to finalizing the reverse merger transaction with Loon. Prior period expense for $905 was routine expenses for incorporation of the Company.

Interest accretion on lease obligation for current period was $5,903 (prior period $2,245). At the commencement date of the lease on May 1, 2021, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18% which is the Company's incremental borrowing rate.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Determination of Purchase Price Allocation

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. The fair value of identified intangible assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units ("CGUs"), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2022, the Company had cash of $1,157,872 and working capital of $1,023,915. During the period ended May 31, 2022, the Company used $137,521 in operating activities (prior period used $55,636), used $45,500 in investing activities (prior period used $nil) and used $10,857 in financing activities (prior period cash of $1,889,603 was provided from financing activities).

During the current period ended May 31, 2022, the Company had cash outflows from operating activities of $137,521, which was a result of the net loss of $128,495, reduced by the non- cash items included in net loss of $13,743 and increased by changes in non-cash working capital of $22,769. The net loss of $128,495 is primarily the result of consulting, contract and legal expenses incurred (as referred above).

During the prior period ended May 31, 2021, the Company had cash outflows from operating activities of $55,636, which was a result of the net loss of $104,834, reduced by the non- cash items included in net loss of $50,890 and increased by changes in non-cash working capital of $1,692.

The non- cash items included in net loss for the current period ended May 31, 2022, includes amortization of intangible assets for $3,453, amortization of right-of-use asset for $7,482, interest accretion on lease obligation for $5,903 and deferred tax recovery for $(3,095).

The non- cash items included in net loss for the prior period ended May 31, 2021, includes amortization of intangible assets for $1,151, amortization of right-of-use asset for $2,494, interest accretion on lease obligation for $2,245 and shares issued for services for $45,000.

The non-cash working capital adjustments for the current period ended May 31, 2022, includes outflow as a result of accounts receivable for $27,497, accounts payable and accrued liabilities for $3,782 and inflow resulting from other receivables for $1,810, HST payable for $2,560 and other payables for $4,140.

The non-cash working capital adjustments for the prior period ended May 31, 2021, includes outflow as a result of other receivables for $2,810 and inflow resulting from HST payable for $1,118.

The Company had outflow from investing activities for $45,500 during the current period ended May 31, 2022 (prior period $nil). This is a result of investment in Manitari Pharma Inc, an associate in cash for $45,500.

The Company had outflow of $10,857 from financing activities during the current period ended May 31, 2022. The outflow was from repayment of lease liabilities for $11,400 and reduced by receipt of subscription receipts for convertible debentures for $543.

The Company had inflow of $1,889,603 from financing activities during the prior period ended May 31, 2021. The inflow was a result of receipt of $1,893,403 from subscription of shares and reduced by outflow for $3,800 being repayment of lease liabilities.

The Company has financed its operations from inception to date through the issuance of equity shares.

The Company currently has one source of revenue from its business from Readytogo clinic. However, the administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

As of May 31, 2022, the Company had raised $507,000 cash in escrow, being subscription for receipts for convertible debentures for the go-public transaction. Each subscription receipt shall be exercisable into one $1,000 principal amount convertible debenture of the Company, on the going public event, which shall have the following terms:

(i) Matures 18 months from commencement of trading of the Resulting Issuer Shares on the CSE;
(ii) 10% interest per annum payable on maturity
(iii) Convertible at $0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at $0.40 per share for two years from the issue date of the convertible debenture: and
(iv) Forced conversion of the convertible debenture if the shares close higher than $0.40 per share for 10 consecutive trading days

"Going Public Event" means any one of (i) an initial public offering by the Company; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange; or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Corporation with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States) on terms determined by the board of directors of the Corporation.

The Company believes it has enough cash to maintain itself for the next 12 months.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

OUTSTANDING SHARE DATA

At May 31, 2022, the Company had 66,552,008 common shares outstanding. As of date of the MD&A, the Company has 66,552,008 common shares outstanding.

Information with respect to outstanding common shares as at May 31, 2022 and the date of the MD&A are as follows:

	Date of MD&A	May 31, 2022
Common shares	66,552,008	66,552,008
Stock options	-	-
Warrants	-	-
Fully diluted shares outstanding	**66,552,008**	**66,552,008**

Share issuances during the period from December 16, 2020 to February 28, 2022:

- On April 27, 2021, the Company issued 45,000,000 common shares at $0.03 per share to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario.
- On April 30, 2021, the Company issued 7,000,000 common shares at $0.03 per share to acquire a 40% ownership and control of Manitari Pharma Inc.
- On April 30, 2021, the Company issued 1,500,000 common shares at $0.03 per share for services.
- On August 4, 2021, the Company issued 13,052,008 common shares at $0.15 per share in private placements and raised $1,957,801.

In conjunction with the above private placements, the Company incurred share issuance costs of $175,899 in cash.

During the three-month period ended May 31, 2022

The Company did not issue any shares during the three months ended May 31, 2022. During the three months ended May 31, 2021, the Company received share subscriptions for $1,893,403, being part of the raise for the private placement which closed on August 4, 2021 (as above)

As at May 31, 2022, the Company has no stock options of warrants outstanding.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or

reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Category**	**Measurement**
Cash	FVTPL	Fair value
Restricted cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that 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. Losses are recognized in profit or loss and reflected in a separate line

item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk as during the period ended May 31, 2022, 87% of its revenue was from 3 customers (May 31, 2021: 83% from one customer).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at May 31, 2022, the Company had sufficient unrestricted cash of $1,157,872 to settle current liabilities of $668,454.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant currency risk as it is not actively dealing in foreign currency.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO")

Transactions with key management personnel not disclosed elsewhere in the financial statements for the three months ended May 31, 2022, and the period from Incorporation on December 16, 2020 to May 31, 2021, include the following:

	May 31, 2022	May 31, 2021
Consulting fees paid to the CEO	$ 6,780	$ -
Common shares issued for services to the CEO	-	45,000
Consulting fees paid to the CFO	11,300	-
	$ 18,080	$ 45,000

At May 31, 2022, there was $nil due to the CEO and $nil due to the CFO for services.

At May 31, 2021, there was $nil due to the CEO and $nil due to the CFO for services.

Business acquisition of RedyToGo Limited

On April 27, 2021, the Company acquired the right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario. The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. As a consideration for the Transaction, the Company issued 45,000,000 common shares of the Company at a price of $0.03 per share for a total consideration of $1,350,000 (the "Purchase Price").

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets acquired.

Consideration	**$**
45,000,000 common shares issued at $0.03 per share	1,350,000
	1,350,000

Purchase Price allocation	**$**
Goodwill	856,602
Deferred tax liability	(182,489)
Intangible assets	
Customer Relationships (amortized over a period of 8 years)	110,500
Brand (Indefinite life)	565,387
	1,350,000

Investment in associates

Manitari Pharma Inc. ("Manitari")

The Company owns a 40% interest in Manitari giving it significant influence over its operations. The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America. As the Company does not have the current ability to control the key operating activities of Manitari, it is accounted for using the equity method. As at May 31, 2022, the Company had advanced cash of $145,500 to Manitari in addition to its 40% ownership and control, by issue of 7,000,000 common shares valued at $210,000.

A summary of the assets, liabilities and operations of Manitari are presented below:

	May 31, 2022
Financial position	
Current assets	$ -
Non-current assets	$ 145,500
Current liabilities	$ -
Non-current liabilities	$ 145,500
For the period ended	**May 31, 2022**
Statement of earnings (loss)	
Revenue	$ -
Expenses	$ -
Operating income (loss)	$ -
Net earnings (loss)	$ -

MERGER TRANSACTION

On November 16, 2021, the Company announced that it has entered into a definitive acquisition agreement the "Definitive Agreement") with Loon Energy Corporation. ("Loon"), (TSXV:LNE) whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of Loon for each Target Share.

The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 1000033135 Ontario Inc., a wholly owned subsidiary of Loon ("Subco") will amalgamate with Optimind (the "Amalgamation").

As part of the Transaction, Loon has agreed to settle up to $175,000 of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of $0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 7,500,000 Loon common shares being issued and outstanding following the consolidation. The number of Loon common shares were revised to 8,650,000 in accordance with the amending agreement announced on June 30, 2022.

RISKS AND UNCERTAINTIES

The Company is subject to several risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved.

Novel Coronavirus

The novel coronavirus commonly referred to as "COVID-19" was identified in December 2019 in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. The outbreak has spread throughout Europe, the Middle East and North America, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. There have been a number of COVID-19 variants of concern that have been identified and more variants of concern may develop in the future, which may further affect the Company's business and its ability to plan ahead. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, depending on the length and severity of the pandemic, COVID- 19 could impact the Company's operations, could cause delays relating to government approvals, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19's effect on capital markets.

The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Company has continuously sought to assess the potential impact of the pandemic on its operations, any assessment is subject to extreme uncertainty as

to probability, severity and duration. The Company has attempted to assess the impact of the pandemic by identifying risks in the following principle areas:

- **Mandatory Closure**. In response to the pandemic, many provinces, territories and localities have implemented mandatory shut-downs of business to prevent the spread of COVID-19. In the locations where the Company operates or conducts research activity, these activities have been deemed an "essential service", and thus not subject to the mandatory closures applicable to non-essential businesses. If required, the Company will work with governmental authorities to seek temporary measures that allow it to remain operational, however, there is no guarantee that the Company will be permitted to remain operational. The Company's ability to generate revenue and meet its milestones could be materially impacted by any shut down of operations or services.

- **Patient Impact**. If its patients or potential patients become ill with COVID-19, they may be forced to quarantine, decide to self-quarantine or not to visit its clinic to observe "social distancing", it may have a material negative impact patient acquisition and retention as well as revenues while the pandemic continues.

- **Staffing Disruption**. The Company is, for the time being, implementing among its staff where feasible "social distancing" measures recommended by local authorities. The Company has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work on-site, measures have been implemented to reduce infection risk, such as reducing contact with patients, mandating additional cleaning and hand disinfection and providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Company may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to come to work on their own volition to avoid infection.

The Company is actively addressing the risk to business continuity represented by each of the above factors through the implementation of a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a material impact on the Company's ability to generate revenue.

Risks associated with failure to achieve its publicly announced milestones according to schedule, or at all

From time to time, the Company may announce the timing of certain events it expects to occur, such as the anticipated timing of future clinics becoming operational and research and development updates. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. These variations in timing may occur as a result of different events, beyond the Company's control having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of the Common Shares.

Cannabis and Psilocybin Industry

The Company is operating its business in a relatively new industry and market. In addition to being subject to general business risks, the Company must continue to build awareness in this industry through investments in its strategy and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis or psilocybin industry, such as the legality of products and services, the imposition of restrictions on sales and marketing or restrictions on sales in certain areas, could have a material adverse effect on the Company's business, financial conditions and results of operations.

Cannabis Regulations

The adult-use and medical cannabis industries and markets are subject to a variety of laws in Canada and internationally.

The business and activities of the Company are heavily regulated. The Company's operations are subject to various laws, regulations and guidelines by governmental authorities relating to health and safety, healthcare practitioner services, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services.

To the knowledge of management, the Company is currently in compliance under the Cannabis Act. Failure to comply with the laws and regulations applicable to its operations may lead to possible sanctions; the suspension or expulsion from a particular market; and, the imposition of fines and censures. To the extent that there are changes to the existing or the enactment of future laws and regulations that affect the sale or offering of the Company's product or services in any way it may have a material adverse effect on the Company's business, financial condition and results of operations. Any amendment to or replacement of the Cannabis Act or other applicable rules and regulations governing the Company's activities may cause adverse effects on the Company's business, financial condition and results of operations.

There is also a risk that the Company's interpretation of laws, regulations and guidelines, including, but not limited to the associated regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of governmental authorities, securities regulators and exchanges, and the Company's operations may not be in compliance with such laws, regulations and guidelines.

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks related to regulatory changes of psilocybin

In Canada, psilocybin is classified as a Schedule III drug and ketamine as a Schedule I drug under the CDSA. All activities involving such substances by or on behalf of the Company are conducted in accordance with applicable federal, provincial, and local laws. While the Company is focused on programs using ketamine and psychedelic inspired compounds, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws the jurisdictions in which the Company operates 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 operates, or private citizens or criminal charges.

Any changes in applicable laws and regulations could have an adverse effect on the Company's operations. The psychedelic drug industry is a fairly new industry and the Company cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Company.

The success of the Company's business is dependent on its activities being permissible under applicable laws and any reform of controlled substances laws or other laws may have a material impact on the Company's business and success. There is no assurance that activities of the Company will continue to be legally permissible.

Reliance on Manitari and third parties

The Company relies on Manitari to conduct its research and development activities. The Company owns 40% of the issued and outstanding voting securities of Manitari, which is a non-controlling stake. Mantitari activities will be guided by a majority of the voting shareholders of Manitari, and the Company may or may not form part of such majority for the future decisions of Manitari. The Company is also reliance on certain third parties in its research and development. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Company's active development programs will face delays. Further, if any of these third parties fails to perform as the Company expects or if their work fails to meet regulatory requirements, the Company's testing could be delayed, cancelled or rendered ineffective.

Approval of Controlled Substance Dealer's License

Manitari has made an application for a Controlled Substance Dealer's License with Health Canada. Such license will allow Manitari to conduct a variety of activities relating to psilocybin including research and development, intellectual property development, production of base substance materials, laboratory analysis, as well as the sale and distribution of thepsychedelic compounds to authorized individuals (or their compounding pharmacies), researchers and companies undertaking clinical trials, each retaining appropriate approvals for such possession and use. If a Controlled Substance Dealer's License is not

granted to Manitari, or is granted but with restrictive terms, it would be a substantial impairment the research and development business of Manitari and the Company.

Violations of laws and regulations could result in repercussions

Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug. The Company's operations are conducted in strict compliance with the laws and regulations regarding its activities with such substances. As such, all facilities engaged with such substances by or on behalf of the Company do so under current licenses, permits and approvals, as applicable, issued by appropriate federal, provincial, state and local governmental agencies. While the Company is focused on programs using ketamine and psychedelic inspired compounds, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws and regulations, such as the CDSA, or of similar legislation in the jurisdictions in which it operates, 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 operates, or private citizens or criminal charges. Any such violations could have an adverse effect on the Company's operations.

Risks Related to Third Party Relationships

The Company has entered into agreements with third parties with respect to its operations. Such relationships could present unforeseen obstacles or costs and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and maintain such relationships. There can be no assurance that such third parties will achieve the expected benefits to the Company's business or that the Company will be able to consummate any future relationships on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations. Any violation of any applicable laws and regulations, such as the CDSA, or of similar legislation in the jurisdictions in which it operates, could result in such third parties suspend or withdraw their services to the Company. The termination or cancellation of any such agreements or the failure of the Company and/or the other parties to these arrangements to fulfill their obligations could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, disagreements between the Company and any of third parties the Company contracts could lead to delays or time consuming and expensive legal proceedings, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Competitive Conditions

The psychedelic therapy business in Canada is an emerging industry with high levels of competition. The Company expects that, due to the urgent need for new and innovative treatments for mental health conditions and the evidence-based studies showing the impact of psychedelics as a treatment for mental health conditions, psychedelics as a treatment for these conditions will become more accepted in the medical community. As such, the Company expects to compete with other similar businesses as well as with individual medical professionals who undertake the prescribing and supervising of psychedelics to their patients. While the Company is an early entrant to the psychedelic-enhanced psychotherapy market in Canada, more market participants will emerged. The Company expects to face intense competition from new or existing market participants, some of which may have greater financial resources. Increased

competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Negative results from studies of others and adverse safety events involving psychedelics may have an adverse impact on the Company's future commercialization efforts

From time to time, studies or clinical trials on various aspects of psychedelics may be conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to psychedelics could adversely affect the Company's clinical operations, research, share price and ability to finance future operations.

The Company heavily relies on the capabilities and experience of its key executives and personnel and the loss of any of them could have a material adverse impact on the Company

The loss of the Company's executive officers or other key members of the Company's staff, could harm the Company. The Company also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Company. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Company expands its operations. The Company enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Company also enters into agreements with physicians in the ordinary course of its business. Notwithstanding these arrangements, the Company faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Company cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Company's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

The Company's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business

The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards the Company has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Company. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's reputation. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Company's business and results of operations, including the imposition of substantial fines or other sanctions.

The Company may expand its business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt the Company's business and harm its financial condition

The Company has in the past and may in the future seek to expand its pipeline and capabilities by acquiring one or more companies or businesses or entering into collaborations. Acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting the Company's management's attention away from other business concerns; entering markets in which the Company has limited or no direct experience; and potential loss of the Company's key employees or key employees of the acquired companies or businesses.

The Company's management has experience in making acquisitions and entering collaborations; however, the Company cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. The Company may incorrectly judge the value or worth of an acquired company or business. In addition, the Company's future success depends in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. The Company cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

Risks associated with drug development

Given the early stage of the Company's product development, the Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Company currently has no products that have been approved by Health Canada or any similar regulatory authority. To obtain regulatory approvals for its products being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy.

The Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete the Company's cash resources

If and when the Company develops any product, it would be exposed to the risk of product liability claims alleging that use of its product caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of a product and may be made directly by patients involved in clinical trials of its product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling its products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product moves through the development pipeline to commercialization. The Company currently maintains what it views as sufficient liability insurance coverage for its current operations; however, there can be no assurance that such insurance coverage is or will continue to be adequate or available to the Company at a cost acceptable to it or at all. The Company may choose or find it necessary to increase its insurance coverage in the future. The Company may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting

from a product liability claim could exceed the amount of its coverage, require the Company to pay a substantial monetary award from its own cash resources and have a material adverse effect on its business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about its products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

Intellectual Property

Failure to obtain or register trademarks used or proposed to be used in the Company's business could require the Company to rebrand, resulting in a material adverse impact on its business. If the Company is unable to register or, if registered, maintain effective patent rights for its product candidates, the Company may not be able to effectively compete in the market. If the Company is not able to protect its proprietary information and know-how, such proprietary information may be used by others to compete against the Company. The Company may not be able to identify infringements of its patents (if and when granted), and, accordingly, the enforcement of its intellectual property rights may be difficult. Once such infringements are identified, enforcement could be costly and time consuming. Third party claims of intellectual property infringement, whether or not reasonable, may prevent or delay the Company's development and commercialization efforts.

The Company's success will depend in part upon its ability to protect its intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection the Company receives. The ability to compete effectively and to achieve partnerships will depend on its ability to develop and maintain proprietary aspects of the Company's technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit its ability to develop and commercialize its products and to conduct its existing research, and could require financial resources to defend litigation, which may be in excess of the Company's ability to raise such funds.

To the extent the Company's intellectual property offers inadequate protection, or is found to be invalid or unenforceable, the Company will be exposed to a greater risk of direct competition. If its intellectual property does not provide adequate protection against the Company's competitors, its competitive position could be adversely affected, as could the Company's business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as do the laws of Canada. The Company will be able to protect its intellectual property from unauthorized use by third parties only to the extent that its proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights, including patents, or are effectively maintained as trade secrets, and provided the Company has the funds to enforce its rights, if necessary.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

The Company's short-term list of objectives is as follows:

The Company intends to work closely with Loon to complete the proposed RTO transaction

SCHEDULE "E"
FINANCIAL STATEMENTS OF THE ACQUIRED CLINIC BUSINESS

RedyToGo Ltd.

Financial Statements
December 31, 2020 and 2019

(Expressed in Canadian Dollars)

RedyToGo Ltd.

Table of contents

HARBOURSIDE CPA

INDEPENDENT AUDITORS' REPORT

To the directors of RedyToGo Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RedyToGo Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019 and the statements of income and comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the years then ended, 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 December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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.

Information other than the Consolidated Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in Management's discussion and analysis report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's discussion and analysis report 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 in this auditor's report. We have nothing to report in this regard.

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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.

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 Mickey Goldstein.

HARBOURSIDE CPA LLP

Vancouver, BC
July 29, 2022

Harbourside CPA LLP
Chartered Professional Accountants

RedyToGo Ltd.
Statements of Financial Position
(in Canadian dollars)

ASSETS		**December 31, 2020**		December 31, 2019
CURRENT				
Cash	**$**	**2,695**	$	1,209
Accounts receivable		**-**		12,886
		2,695		14,095
Property and equipment (Note 4)		**10,585**		13,485
Due from related party (Note 6**)**		**108,337**		87,837
TOTAL ASSETS	**$**	**121,617**	$	115,417
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	**$**	**-**	$	10,910
HST Payable		**3,101**		3,283
Income taxes payable		**2,768**		2,069
TOTAL LIABILITIES	**$**	**5,869**		16,262
SHAREHOLDERS' EQUITY				
Share Capital		**100**		100
Retained earnings		**115,648**		99,055
TOTAL SHAREHOLDERS' EQUITY	**$**	**115,748**		99,155
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	**121,617**	$	115,417

Organization and nature of operations (Note 1)
Basis of presentation (Note 2)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors:

/s / Dr. Michael Hart,
Director

The accompanying notes are an integral part of these financial statements

RedyToGo Ltd.
Statements of Income and Comprehensive Income
(in Canadian dollars)

		Year ended December 31, 2020		Year ended December 31, 2019
Revenue	**$**	**156,356**	$	197,989
Operating Expenses				
Accounting and legal	**$**	**1,840**	$	9,610
Administration and general		**8,571**		11,950
Amortization of property and equipment (Note 4)		**2,900**		3,446
Computer and software expenses		**2,352**		4,107
Contract work		**41,553**		75,629
Insurance		**2,565**		2,565
Management fees (Note 6)		**24,000**		24,000
Rent expense (Note 6)		**53,982**		55,907
Total Operating Expenses		**(137,763)**		(187,214)
Net income before tax		**18,593**		10,775
Income-taxes		**(2,000)**		(1,350)
Net and Comprehensive Income	**$**	**16,593**	$	9,425
Income per share-Basic and Diluted	**$**	**165.93**	$	94.25
Weighted average number of shares outstanding-Basic and Diluted		**100**		100

The accompanying notes are an integral part of these financial statements

RedyToGo Ltd.
Statement of Changes in Shareholders' Equity
(in Canadian dollars)

	Number of common shares outstanding		Share capital		Retained Earnings		Total
Balance as at January 1, 2019	100	$	100	$	89,630	$	89,730
Net income for the year	-		-		9,425		9,425
Balance as at December 31, 2019	100	$	100	$	99,055	$	99,155
Net income for the year	-		-		16,593		16,593
Balance as at December 31, 2020	100	$	100	$	115,648	$	115,748

The accompanying notes are an integral part of these financial statements

RedyToGo Inc.
Statements of Cash Flows
(in Canadian dollars)

		For the year ended December 31, 2020		For the year ended December 31, 2019
OPERATING ACTIVITIES				
Net Income	$	**16,593**	$	**9,425**
Non-cash items included in net income and other adjustments:				
Amortization of property and equipment		2,900		3,446
Changes in non-cash working capital:				
Accounts receivable		12,886		(12,886)
Due from related parties		(20,500)		(24,350)
Accounts payable and accrued liabilities		(10,910)		9,113
HST payable		(182)		(5,439)
Income taxes payable		699		(5,603)
CASH PROVIDED (USED) IN OPERATING ACTIVITIES		**1,486**		**(26,294)**
INVESTING ACTIVITIES				
Purchase of property and equipment		-		(800)
CASH USED IN INVESTING ACTIVITIES		**-**		**(800)**
NET CHANGE IN CASH DURING THE PERIOD		**1,486**		**(27,094)**
CASH, BEGINNING OF PERIOD		1,209		28,303
CASH, END OF PERIOD	$	**2,695**	$	**1,209**
Cash paid for income taxes	$	**1,301**	$	**5,739**

The accompanying notes are an integral part of these financial statements

1. Organization and Nature of Operations

RedyToGo Ltd. ("Redytogo" or the "Company") was incorporated in Ontario on October 12, 2016. The Company has one clinic operating in London, Ontario.

The Company derives revenue relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

On April 27, 2021, Optimind Pharma Inc. issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

The Company's corporate office is located at 642, Richmond Street, London, Ontario, Canada.

2. Basis of Presentation

Basis of Preparation

These financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. Basis of Presentation (Cont'd)

Significant Accounting Judgments and Estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

2. Basis of Presentation (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

Useful life of property and equipment

Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

COVID-19 estimation uncertainty

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Approval of the financial statements

These financial statements were authorized for issuance by the Board of Directors on July 29, 2022.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Cash

Cash comprises of cash held at banks. The Company does not invest in any asset-backed deposits or investments.

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

3. Significant Accounting Policies (Cont'd)

Income (Loss) per share

Income (Loss) per share is computed by dividing the net income (loss) applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted income (loss) per common share is computed by dividing the net income (loss) applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Property and equipment:

Property and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of the item of property and equipment consists of the purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss. The cost of repairs and maintenance is expensed as incurred.

The Company amortizes its property and equipment using the following rates:

Furniture and equipment	30% per annum, declining balance
Computer hardware	55% per annum, declining balance

Revenue

Under IFRS 15, the Company's revenue is principally derived from the following sources:

Revenue is derived primarily from the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

The Company has evaluated its revenue streams and major contracts with customers using the IFRS 15 five step model and concluded that there are no material changes to the timing of revenue recognized in the current year as compared to the prior year.

3. Significant Accounting Policies (Cont'd)

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are classified as follows:

Asset or Liability	**Classification**
Cash	FVTPL
Due from related parties	Amortized cost
Accounts receivable	Amortized cost
Accounts payable	Amortized cost

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that 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. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(in Canadian dollars)

4. Property and Equipment

	Furniture and Equipment	Computer Hardware	Total
Cost			
Balance as at January 1, 2019	**$ 17,923**	**$ -**	**$ 17,923**
Additions	**-**	800	800
Balance as at December 31, 2019	**$ 17,923**	**$ 800**	**$ 18,723**
Additions	**-**	**-**	**-**
Balance as at December 31, 2020	**$ 17,923**	**$ 800**	**$ 18,723**
Accumulated Amortization			
Balance as at January 1, 2019	**$ 1,792**	**$ -**	**$ 1,792**
Amortization	**3,226**	220	**3,446**
Balance as at December 31, 2019	**$ 5,018**	**$ 220**	**$ 5,238**
Amortization	**2,581**	**319**	**2,900**
Balance as at December 31, 2020	**$ 7,599**	**$ 539**	**$ 8,138**
Net Carrying Amounts			
As at December 31, 2020	**$ 10,324**	**$ 261**	**$ 10,585**
As at December 31, 2019	**$ 12,905**	**$ 580**	**$ 13,485**

5. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares without par value

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At December 31, 2020 and 2019, the Company has 100 common shares issued and outstanding. No common shares were issued during the years 2019 and 2020.

(in Canadian dollars)

6. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Segment are its directors and executive officers. The Segment did not pay post-employment benefits or long-term benefits to key management.

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

	December 31, 2020	December 31, 2019
*Management fees	$ 24,000	$ 24,000
	$ 24,000	$ 24,000

*Management fees was paid to a Company which is owned by Blair Knox, director of the Company.

As of December 31, 2020, there was $108,337 (December 31, 2019: $87,837) due from Hart Knox Holdings Inc. The amounts due are non-interest bearing, with no set terms of repayment. In addition, during the year ended December 31, 2020, the Company paid lease rent for office space for $53,982 (December 31, 2019: $55,907) to Hart Knox Holding Inc.

Hart Knox Holdings Inc. is owned by directors of the Company.

7. Segment Information

During the year ended December 31, 2020, the Company realized 96% of revenues from one customer (2019: 99% of revenue from one customer).

Accounts receivable of $12,886 as of December 31, 2019 consists of 100% of receivable from one customer (2020: $nil receivable).

All Company assets are located in Canada.

8. Financial Instruments

The fair value of the Company's accounts receivable and accounts payable, approximate carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

8. Financial Instruments (Cont'd)

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company generates cash flows from its operating activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at December 31, 2020, the Company had cash of $2,695 to settle current liabilities of $5,869.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company has no exposure to any currency except Canadian dollars.

(in Canadian dollars)

9. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and retained earnings, which as at December 31, 2020 totaled $115,748. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

10. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

		December31, 2020		December 31, 2019
Income for the period before tax	$	18,593		10,775
Tax rate				
Expected income tax expense, at statutory rate		2,417		1,401
Change due to acquisition, tax rates, and other		583		49
Change in unrecognized deductible temporary differences		(1,000)		(100)
Total income tax expense	$	2,000	$	1,350

Deferred tax assets

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		December 31, 2020		December 31, 2019
Property and equipment	$	1,000	$	2,000
Total deferred tax assets		1,000		2,000
Less: Unrecognized deferred tax assets		(1,000)		(2,000)
Net deferred tax assets	$	-	$	-

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

		December 31, 2020	Expiry Date		December 31, 2019
Property and equipment	$	10,000	No expiry	$	13,000

Tax attributes are subject to review and potential adjustment by tax authorities.

11. Subsequent events

On April 27, 2021, Optimind Pharma Inc. issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

SCHEDULE "F"
MD&A OF THE ACQUIRED CLINIC BUSINESS

REDYTOGO LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended December 31, 2020 and 2019

REDYTOGO LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended December 31, 2020 and 2019

(Information as at July 29, 2022 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand RedyToGo Ltd. (the "Company") financial statements for the years ended December 31, 2020 and 2019. This MD&A should be read in conjunction with the financial statements of the Company and the notes thereto for the years ended December 31, 2020 and 2019. The effective date of this report is July 29, 2022. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of December 31, 2020 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

The Company was incorporated under the laws of the province of Ontario on October 12, 2016. The Company has one clinic operating in London, Ontario.

The Company derives revenue relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

On April 27, 2021, Optimind Pharma Inc. issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario. The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

The Company’s corporate office is located at 642, Richmond Street, London, Ontario, Canada.

The Company, through its clinic located at 642 Richmond St., London, ON N6A 3G6, specializes in prescribing medical cannabis and other alternative treatments for various medical ailments. The Company prides itself on providing quality education and health care to patients. Medical cannabis has quickly become one of the most prescribed medications in Canada due to its efficacy and safety profile, which remains the primary business of the clinic.

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the years ended December 21, 2020 and 2019.

		Year ended December 31, 2020		Year ended December 31, 2019
Revenue	**$**	**156,356**	$	197,989
Operating Expenses				
Accounting and legal	**$**	**1,840**	$	9,610
Administration and general		**8,571**		11,950
Amortization of property and equipment		**2,900**		3,446
Computer and software expenses		**2,352**		4,107
Contract work		**41,553**		75,629
Insurance		**2,565**		2,565
Management fees		**24,000**		24,000
Rent expense		**53,982**		55,907
Total Operating Expenses		**(137,763)**		(187,214)
Net income before tax		**18,593**		10,775
Income-taxes		**(2,000)**		(1,350)
Net and Comprehensive Income	**$**	**16,593**	$	9,425
Income per share-Basic and Diluted	**$**	**165.93**	$	94.25
Weighted average number of shares outstanding-Basic and Diluted		**100**		100

The chart below presents the summary financial information of the Company:

	As at December 31, 2020	As at December 31, 2019
Current assets	**$2,695**	$14,095
Noncurrent assets	**$118,922**	$101,322
Total assets	**$121,617**	$115,417
Current liabilities	**$5,869**	$16,262

Shareholders' equity	**$115,748**	$99,155
Cash dividends per common share	**NIL**	NIL

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Revenue, Expenses and Net Loss for the years ended December 31, 2020 and 2019

Total revenue for the years ended December 31, 2020 and 2019 were $156,356 and $197,989 respectively.

Total operating expenses for the years ended December 31, 2020 and 2019 were $137,763 and $187,214 respectively.

Total net and comprehensive income for the years ended December 31, 2020 and 2019, were $16,593 and $9,425 respectively.

Revenues:

The Company derived revenues for $156,356 and $197,989 respectively for the years ended December 31, 2020 and 2019. All the revenues were from non-OHIP treatment operations, which included Ketamine treatments and cannabis referrals. The drop in revenue in 2020 as compared to 2019 was a result in the decline in patients visiting the clinic due to Covid restrictions, and the hesitancy of patients choosing telemedicine appointments.

Operating expenses:

Accounting and legal expenses for the year ended December 31, 2020 was $1,840 as compared to $9,610 for the year ended December 31, 2019. The Company's dependence on routine legal expenses declined in the current year as there were no new material agreements which required legal assistance.

Administration and general expenses were $8,571 for the year ended December 31, 2020, as compared to $11,950 for the prior year. The drop in expenses was due to the drop in revenues.

Amortization of property and equipment was $2,900 in the current year as compared to $3,446 in the prior year. There were no new additions to property and equipment during the current year, as compared to addition for $800 to computer hardware in the prior year. The Company amortizes furniture and fixtures at 30% per annum, declining balance and amortizes computer hardware at 55% per annum, declining balance.

Computer and software expenses were $2,352 in the current year as compared to $4,107 in the prior year. The reduction in expenses is due to the reduction in revenue and management effort to reduce cost.

Contract work expense was $41,553 in the current year as compared to $75,629 in the prior year. The Company has hired contractors/consultants at their clinic on hourly basis. As a result of decline in revenue, the Company reduced the contract work expenses during the current year.

Insurance expense was unchanged at $2,565 for the years 2020 and 2019.

Management fees expense was $24,000 in 2020 (2019: $24,000). Management fees was paid to a Company which is owned by Blair Knox, director of the Company. This management fee is for services related to general accounting and management of the business operations of the Company.

Rent expense was $53,982 in 2020 as compared to $55,907 in 2019. The Company did not have a fixed period lease and the lease was on a month-to-month basis. Lease expense included a proportionate share of the common maintenance and taxes.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2020, the Company had cash of $2,695 and working capital deficit of $3,174. As at December 31, 2019, the Company had cash of $1,209 and working capital deficit of $2,167.

During the year ended December 31, 2020, the Company received cash of $1,486 from operating activities, received $nil from financing and $nil from investing activities.

During the year ended December 31, 2019, the Company used cash of $26,294 from operating activities, received $nil from financing activities and used $800 in investing activities.

During the year ended December 31, 2020, the Company had cash inflow from operating activities of $1,486, which was a result of the net income of $16,593, increased by the non- cash items included in net income of $2,900 and reduced by changes in non-cash working capital of $18,007.

During the year ended December 31, 2019, the Company had cash outflow from operating activities of $26,294, which was a result of the net income of $9,425, increased by the non- cash items included in net income of $3,446 and reduced by changes in non-cash working capital of $39,165.

The non- cash items included in net income for the years ended December 21, 2020 and 2019 were amortization of property and equipment for $2,900 and $3,446 respectively.

The non-cash working capital adjustments for the year ended December 31, 2020, includes outflows as a result of increase in due from related party for $20,500, decrease in accounts payable and accrued liabilities for $10,910 and HST payable for $182 and inflow resulting from reduction in accounts receivable for $12,886 and increase in income taxes payable for $699.

The non-cash working capital adjustments for the year ended December 31, 2019, includes outflows as a result of increase in accounts receivable for $12,886, increase in due from related party for $24,350, decrease in HST payable for $5,439 and income taxes payable for $5,603 and inflow resulting from increase in accounts payable and accrued liabilities for $9,113.

The Company had $nil inflow or outflow from investing activities during the year ended December 31, 2020 and outflow from investing activities for $800 during the year ended December 31, 2019. The outflow in 2019 was a result of addition of $800 to property and equipment.

The Company had $nil inflow or outflow from financing activities during the years ended December 31, 2020 and 2019.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or raise cash. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year. This is achieved by the Board of Directors' review and acceptance of budgets that are achievable within existing resources and the timely matching and release of the expenditures with the resources available.

OUTSTANDING SHARE DATA

At December 31, 2020 and 2019, the Company had 100 common shares outstanding.

Information with respect to outstanding common shares as at December 31, 2020

	December 31, 2020
Common shares	100
Stock options	-
Warrants	-
Fully diluted shares outstanding	**100**

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Category**	**Measurement**
Cash	FVTPL	Fair value
Accounts receivable	Asset	Amortized cost
Due from related party	Asset	Amortized cost
HST payable	Other Liabilities	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that 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. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk and foreign currency risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company generates cash flows from its operating activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods.

As at December 31, 2020, the Company had cash of $2,695 to settle current liabilities of $5,869.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company has no exposure to any currency except Canadian dollars.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Segment are its directors and executive officers. The Segment did not pay post-employment benefits or long-term benefits to key management.

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		December 31, 2020		December 31, 2019
*Management fees	$	24,000	$	24,000
	$	24,000	$	24,000

*Management fees was paid to a Company which is owned by Blair Knox, director of the Company.

As of December 31, 2020, there was $108,337 (December 31, 2019: $87,837) due from Hart Knox Holdings Inc. The amounts due are non-interest bearing, with no set terms of repayment. In addition, during the year ended December 31, 2020, the Company paid lease rent for office space for $53,982 (December 31, 2019: $55,907) to Hart Knox Holding Inc.

Hart Knox Holdings Inc. is owned by directors of the Company.

Segment Information

During the year ended December 31, 2020, the Company realized 96% of revenues from one customer (2019: 99% of revenue from one customer).

Accounts receivable of $12,886 as of December 31, 2019 consists of 100% of receivable from one customer (2020: $nil receivable).

All Company assets are located in Canada.

Subsequent events

On April 27, 2021, Optimind Pharma Inc. issued 45,000,000 common shares to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals.

RISKS AND UNCERTAINTIES

The Company is subject to several risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved.

Novel Coronavirus

The novel coronavirus commonly referred to as "COVID-19" was identified in December 2019 in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. The outbreak has spread throughout Europe, the Middle East and North America, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. There have been a number of COVID-19 variants of concern that have been identified and more variants of concern may develop in the future, which may further affect the Company's business and its ability to plan ahead. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, depending on the length and severity of the pandemic, COVID- 19 could impact the Company's operations, could cause delays relating to government approvals, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19's effect on capital markets.

The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Company has continuously sought to assess the potential impact of the pandemic on its operations, any assessment is subject to extreme uncertainty as

to probability, severity and duration. The Company has attempted to assess the impact of the pandemic by identifying risks in the following principle areas:

- **Mandatory Closure**. In response to the pandemic, many provinces, territories and localities have implemented mandatory shut-downs of business to prevent the spread of COVID-19. In the locations where the Company operates or conducts research activity, these activities have been deemed an "essential service", and thus not subject to the mandatory closures applicable to non-essential businesses. If required, the Company will work with governmental authorities to seek temporary measures that allow it to remain operational, however, there is no guarantee that the Company will be permitted to remain operational. The Company's ability to generate revenue and meet its milestones could be materially impacted by any shut down of operations or services.

- **Patient Impact**. If its patients or potential patients become ill with COVID-19, they may be forced to quarantine, decide to self-quarantine or not to visit its clinic to observe "social distancing", it may have a material negative impact patient acquisition and retention as well as revenues while the pandemic continues.

- **Staffing Disruption**. The Company is, for the time being, implementing among its staff where feasible "social distancing" measures recommended by local authorities. The Company has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work on-site, measures have been implemented to reduce infection risk, such as reducing contact with patients, mandating additional cleaning and hand disinfection and providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Company may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to come to work on their own volition to avoid infection.

The Company is actively addressing the risk to business continuity represented by each of the above factors through the implementation of a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a material impact on the Company's ability to generate revenue.

Cannabis Regulations

The adult-use and medical cannabis industries and markets are subject to a variety of laws in Canada and internationally.

The business and activities of the Company are heavily regulated. The Company’s operations are subject to various laws, regulations and guidelines by governmental authorities relating to health and safety, healthcare practitioner services, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company’s products and services.

To the knowledge of management, the Company is currently in compliance under the Cannabis Act. Failure to comply with the laws and regulations applicable to its operations may lead to possible sanctions; the suspension or expulsion from a particular market; and, the imposition of fines and censures. To the extent that there are changes to the existing or the enactment of future laws and regulations that

affect the sale or offering of the Company's product or services in any way it may have a material adverse effect on the Company's business, financial condition and results of operations. Any amendment to or replacement of the Cannabis Act or other applicable rules and regulations governing the Company's activities may cause adverse effects on the Company's business, financial condition and results of operations.

There is also a risk that the Company's interpretation of laws, regulations and guidelines, including, but not limited to the associated regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of governmental authorities, securities regulators and exchanges, and the Company's operations may not be in compliance with such laws, regulations and guidelines.

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company heavily relies on the capabilities and experience of its key executives and personnel and the loss of any of them could have a material adverse impact on the Company

The loss of the Company's executive officers or other key members of the Company's staff, could harm the Company. The Company also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Company. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Company expands its operations. The Company enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Company also enters into agreements with physicians in the ordinary course of its business. Notwithstanding these arrangements, the Company faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Company cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Company's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

The Company's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business

The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards the Company has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Company. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could

also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's reputation. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Company's business and results of operations, including the imposition of substantial fines or other sanctions.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures.

SCHEDULE "G"
PRO FORMA FINANCIAL STATEMENTS

OPTIMIND PHARMA INC.
Unaudited Pro Forma Condensed Statement of Financial Position
May 31, 2022
(In CAD Dollars)

	Historical		Pro Forma		
	Optimind Pharma Inc.(as at May 31, 2022)	Loon Energy Corporation (as at March 31, 2022)	Adjustments	Notes	Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 1,157,872	$ 639	$ (639)	a	
			507,000	d	$ 1,664,872
Restricted cash	507,000	-	(507,000)	d	-
Accounts receivable	27,497	-			27,497
Other receivable	-	4,804	(4,804)	b	-
Total current assets	1,692,369	5,443	(5,443)		1,692,369
Non-Current assets					
Investment in associates	355,500				355,500
Right-of-use asset	117,222				117,222
Intangible assets	660,924				660,924
Goodwill	856,602	-	-		856,602
Total assets	$ 3,682,617	5,443	(5,443)		3,682,617
Liabilities					
Current liabilities					
HST payable	$ 4,252				4,252
Accounts payable and accrued liabilities	128,447	$ 39,769	$ (34,326)	a	$
			(639)		
			(4,804)	a	128,447
Notes payable to related parties	-	146,559	(146,559)	b	-
Other payables	4,140				4,140
Convertible debentures	507,000		(507,000)	b	-
Current portion of lease liabilities	24,615		-	b	24,615
Total current liabilities	668,454	186,328	(693,328)		161,454
Non-current liabilities					
Non-current portion of lease liabilities	102,887				102,887
Convertible debentures			451,602	d	451,602
Deferred tax liability					-

Total liabilities	771,341	186,328	(241,726)		715,943
Stockholders' Equity					
Share Capital			146,559	a	
			34,326	a	
			1,297,500	c	
75,202,008 shares issued and outstanding	3,386,902	21,600,670	(21,781,555)		4,684,402
			55,398	d	
Contributed surplus		3,034,829	(3,034,829)		55,398
			3,034,829		
			21,781,555		
Accumulated deficit	(475,626)	(24,816,384)	(1,297,500)	c	(1,773,126)
Total shareholders' equity	2,911,276	(180,884)	236,282		2,966,674
Total liabilities and stockholders' equity	$ 3,682,617	$ 5,443	$ (5,443)		$ 3,682,617

OPTIMIND PHARMA INC.
Unaudited Pro Forma Condensed Statement of Loss and Comprehensive Loss
Three months ended May 31, 2022
(In CAD Dollars)

	Historical		Pro Forma		
	Optimind Pharma Inc.-3 months ended May 31, 2022	**Loon Energy Corporation -3 months ended March 31, 2022**	**Adjustments**	**Notes**	**Combined**
Revenue	**$** 39,997	$			39,997
					$
Expenses					
Accounting and related fees	**$** 6,000				6,000
Amortization of intangible assets	3,453				3,453
Amortization of right-of-use asset	7,482				7,482
Consulting fees	107,589				107,589
Contract work	20,074				20,074
Computer and software expenses	155				155
Foreign exchange loss		2,589			2,589
General and administrative		9,037			9,037
Interest accretion on lease obligation	5,903				5,903
Interest expense		4,463			4,463
Legal expenses	19,407				19,407
Office and general	1,524				1,524
Total operating expenses	(171,587)	(16,089)	-		(187,676)
Operating loss	**$** (131,590)	$ (16,089)	-		$ (147,679)
Listing expense			(1,297,500)	c	(1,297,500)
Loss before income taxes	(131,590)	(16,089)	(1,297,500)		(1,445,179)
Deferred tax recovery	3,095	-	-		3,095
					-
:**Loss and comprehensive loss**	**$** (128,495)	(16,089)	(1,297,500)		(1,442,084)
					-
Loss per share - Basic and Diluted	**$**				(0.02)
Weighted average number of common shares outstanding - Basic and Diluted					66,646,030

OPTIMIND PHARMA INC.
Unaudited Condensed Combined Pro Forma Financial Statements
May 31, 2022

Notes to Unaudited Condensed Combined Pro Forma Financial Statements

These unaudited condensed combined proforma financial statements have been prepared in order to present combined financial position of Loon Energy Corporation (“Loon” or “the Registrant”) and Optimind Inc. as if the acquisition had occurred as of May 31, 2022.

The unaudited proforma condensed statement of financial position has been prepared using the unaudited condensed interim statements of financial position of the Registrant as at March 31, 2022 and audited financial statements of Optimind Inc. as of February 28, 2022.

The unaudited proforma condensed statement of loss and comprehensive loss has been prepared using the unaudited statements of the Registrant for the quarter ended March 31, 2022, and unaudited statements of Optimind Inc. for the quarter ended May 31, 2022.

The following proforma adjustments are incorporated into the condensed combined proforma statements:

a) As part of the Transaction, Loon agreed to settle debt by way of issuance of common shares of the Company (the "Debt Settlement"). Following the Debt Settlement, Loon completed a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 8,650,000 Loon common shares being issued and outstanding following the consolidation.

b) Pursuant to the Acquisition Agreement, the transaction is completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 1000033135 Ontario Inc., a wholly owned subsidiary of Loon ("Subco") will amalgamate with Optimind (the "Amalgamation") Pursuant to the acquisition agreement, Loon consolidated its outstanding and issued shares resulting in 8,650,000 shares issued and outstanding post consolidation.

c) The financial statements for Loon are in USD. These numbers are converted to CAD at the closing exchange rate of 1CAD= 0.7995 USD.

d) Parties to the Transaction: Loon Energy (“Corporation”), a public company existing under the laws of Business Corporation Act (Alberta), Optimind Pharma Inc. ("Company"), and 1000033135 Ontario Inc ("Loon Sub"), a private company incorporated under the laws of Ontario.

   Description of the Transaction: The Corporation completed the acquisition of all of the issued and outstanding shares of the Company by way of a three-cornered amalgamation, pursuant to which the Loon Sub amalgamated with the Company (the "Transaction"). Pursuant to the Transaction, each registered shareholder of the Company (a "Company Shareholder") received one (1) common share in the capital of the Corporation for each Company common share held (each a "Company Share"), resulting in the issuance of an aggregate of 66,552,008 common shares of the Corporation to Company Shareholders resulting in a total issuance of 75,202,008 common shares.

Under IFRS, this was considered a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or “RTO”). The Company considered the guidance of IFRS 3 to identify the accounting acquirer and guidance of IFRS 2 as the accounting acquiree did not meet the definition of business. The Company issued 8,650,000 shares to the shareholders of former corporation valued at $0.15 per share, with a total value of $1,297,500 for the acquisition.

The fair value of the acquired assets and liabilities assumed is as follows:

Assets acquired by the Company:	$	-
Liabilities assumed by the Company:		-
Net assets (liabilities) assumed	$	-
Consideration:		
8,650,000 common shares issued at a fair value of $0.15 per share	$	(1,297,500)
Listing expense	$	(1,297,500)

e) As of May 31, 2022, the Company had received cash in escrow for $507,000 for subscription receipts. Each subscription receipt shall be exercisable into one $1,000 principal amount convertible debenture of the Company, on the Going Public Event, which shall have the following terms:

a) Matures 18 months from commencement of trading of the Resulting Issuer Shares on the Canadian Stock Exchange;
b) 10% interest per annum payable on maturity
c) Convertible at $0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at $0.40 per share for two years from the issue date of the convertible debenture; and
d) Forced conversion of the convertible debenture if the shares close higher than $0.40 per share for 10 consecutive trading days

"Going Public Event" means any one of (i) an initial public offering by the Company; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange (TSXV); or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Company with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States on terms determined by the board of directors of the Company.

As of May 31, 2022 (date of merger), the cash for $507,000 was no longer considered in escrow. These convertible debentures were analyzed in accordance with the guidance provided under IFRS related to compound financial instruments. Debt element of the compound financial instruments was fair valued using a borrowing rate based on similar instrument without equity feature. The residual amount of $55,398 was allocated to equity.