OPTIMIND PHARMA CORP.

(Formerly, LOON ENERGY CORPORATION)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended February 28, 2023

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(Information as at June 28, 2023 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Optimind Pharma Corp. (the "Company") financial statements for the year ended February 28, 2023. This MD&A should be read in conjunction with the financial statements of the Company and the notes thereto for the year ended February 28, 2022. The effective date of this report is June 28, 2023. 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, 2023 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

Optimind Pharma Corp., formerly Loon Energy Corporation, ("**Optimind**" or the "**Company**") was 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.

Optimind completed a triangular amalgamation (the "Transaction") pursuant to the terms of the acquisition agreement dated July 28, 2022, among Optimind, its wholly owned subsidiary 1000033135 Ontario Inc. and Optimind Pharma Inc. The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021, March 1, 2022, and June 30, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("OPI"), a private company incorporated under the Province of Ontario, whereby Optimind has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of OPI (the "Transaction").

Under the terms of the Agreement, all of the Target Shares were 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"). Prior to the Amalgamation, Loon completed a share consolidation on the basis of one (1) new share for such number of old shares which resulted in 8,649,983 Loon common shares being issued and outstanding following the consolidation.

Optimind's shares were listed on the TSX Venture exchange ("TSX.V"). At the Company's request, the Company's shares were delisted from the TSX.V on June 24, 2022. On August 4, 2022, the Company's shares began trading on the Canadian Securities Exchange ("CSE") under the symbol OMND.

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 waiting 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.

On September 20th, 2022, Optimind Acquired MindSetting Institute. The completion of this acquisition introduces a new market opportunity for Optimind which will generate new revenue streams and allows the Company to bring evidence-based training and education for healthcare professionals into the psychedelics sector. By age 40, about 50% of the Canadian population will have or have had a mental illness. Yet psychedelics in mental health and wellness are not an established component of existing healthcare professional curriculum and training. Optimind will now be able to adapt MindSetting's proprietary Therapeutic Reset of Internal Processes (TRIP) Protocol™ into education programs and courses designed to align to university standards for curriculum.
TRIP Protocol™ incorporates ketamine into psychotherapy practices. Bringing this psychotherapy into Optimind clinics will provide personally customizable treatment for patients with depression, anxiety, and post-traumatic stress disorders while mitigating treatment-related risks through a multidisciplinary approach to psychedelic enhanced psychotherapy (PEP). The protocol is currently being used by over 60 practitioners all over North America to treat their patients.

The MindSetting assets acquired by Optimind include course modalities, including fully asynchronous, online synchronous and hybrid learning opportunities. The core TRIP course will build the foundation for a fully scalable program as new mental health protocols can be created and aimed to equip clinicians with the foundational understanding of the MindSetting TRIP Protocols™. Due to the asynchronous nature of the course, and the simplicity of the teaching, there is tremendous potential to launch in new markets outside of North America, where customer demand for PEP greatly outpaces the supply of qualified practitioners. The psychedelics industry is a new and underserved market – with the acquisition of the MindSetting Institute, Optimind can now access additional verticals in this new market, with the opportunity to grow at a global scale.

Reverse take-over transaction

Effective July 28, 2022, Optimind was part of a triangular amalgamation among Optimind, its wholly owned subsidiary 1000033135 Ontario Inc. and Optimind Pharma Inc. The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021, March 1, 2022, and June 30, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("OPI"), a private company incorporated under the Province of Ontario, whereby Optimind has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of OPI (the "Transaction").

Under the terms of the Agreement, all of the Target Shares were exchanged on the basis of one common share of the Company for each Target Share. 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 resulted in 8,649,999 Loon common shares being issued and outstanding following the consolidation. On Completion of the transaction, the Company changed its name to Optimind Pharma Corp.

Under IFRS, this was considered a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO"). The Company issued 8,649,983 shares to the shareholders of former corporation valued at $0.03 per share, with a total value of $259,500 for the acquisition.

The fair value of the acquired assets and liabilities assumed is as follows:

Assets acquired by the Company:	$	11,231
Liabilities assumed by the Company:		(14,359)
Net assets (liabilities) assumed	$	(3,128)
Consideration:		
8,649,983 common shares issued at a fair value of $0.03 per share	$	(259,500)
Listing expense	$	(262,628)

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the year ended February 28, 2023 and for the period from incorporation on December 16, 2020 to February 28, 2022

	Year ended February 28, 2023 *$*	*For the period from December 16, 2020 to February 28, 2022* *$*
Revenue	170,113	124,612
Total operating expenses	(1,177,487)	(651,137)
Loss from acquisition of subsidiary (listing expense)	(262,628)	-
Impairment of intangible assets	(650,565)	-
Impairment of investment in associates	(310,000)	-
Impairment of goodwill	(856,602)	-
Loss before income taxes	(3,087,169)	(526,525)
Deferred tax recovery	8,849	179,394
Loss and comprehensive loss	(3,078,320)	(347,131)
Loss per share – basic and diluted	(0.04)	(0.01)
Weighted average number of common shares outstanding-	81,991,295	43,591,749

The chart below presents the summary financial information of the Company:

	As at February 28, 2023 *($)*	*As at February 28, 2022* *($)*
Current assets	667,805	1,860,560
Non-current assets	686,526	1,955,683
Total assets	1,354,331	3,816,243
Current liabilities	624,502	663,918
Non-Current liabilities	90,076	112,554
Shareholders' equity	639,753	3,039,771
Cash dividends per common share	-	-

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Acquisition of Mindsetting Institute

On September 16, 2022, Optimind completed the acquisition of MindSetting Institute, a leader in psychedelic enhanced therapy training and educational programming. In consideration for the acquisition, the Company issued a total of 22,500,000 common shares for a total consideration of $371,250 (the "Purchase Price"), which shares are subject to the following release terms: (i) 11,500,000 common shares are subject to a time release escrow as follows: (A) 5,343,750 are released on January 17, 2023; (B) 1,968,750 are released on March 17, 2023; (C) 1,968,750 are released on June 17, 2023; and, (D) (B) 1,968,750 are released on September 17, 2023; and (ii) 11,500,000 common shares are subject to earn-out milestones as follows: (A) 2,812,500 common shares; (B) 5,625,000 common shares; and (C) 2,812,500 common shares, with each of three earn-out milestones related to continued development of the protocols and courses for the acquired assets and intellectual property. The MindSetting assets acquired by Optimind include course modalities, including fully asynchronous, online synchronous and hybrid learning opportunities.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the Purchase Price.

Consideration		
22,500,000 Common Shares	$	371,250
Purchase Price allocation		
Intangible-Mindsetting	$	371,250

Expenses and Net Loss

Total operating expenses for the year ended February 28, 2023, were $1,177,488 (February 28, 2022 – $651,137) In addition, the Company recorded loss on acquisition of subsidiary (listing expense) for $262,628 for the year ended February 28, 2023 (February 28, 2022-$nil), Impairment of intangible assets for $650,565 (February 28, 2022-$nil), Impairment of investment in associates for $310,000 (February 28, 2021-$nil) and Impairment of goodwill for $856,602 (February 28, 2021-$nil).

	For the Year ended February 28, 2023	For the Period from incorporation on December 16, 2020 to February 28, 2022
Revenue	$ 170,113	$ 124,612
Operating expenses:		
Accounting and related fees	$ 24,000	$ 20,000
Amortization of intangible assets (Note 7)	13,812	11,510
Amortization of right-of-use assets (Note 8)	29,928	24,941
Consulting fees (Note 12)	551,406	362,032
Contract work	84,555	33,685
Computer and software expenses	3,906	2,676
Interest expense	30,571	-
Interest accretion (Notes 9,11)	43,773	21,354
Insurance	2,425	2,375
Legal and professional expenses	316,953	147,682
Maintenance and property taxes	33,684	11,313
Office and general	16,841	13,569
Transfer agent and regulatory fees	25,633	-
Total operating expenses	$ 1,177,487	$ 651,137
Loss before the following items	(1,007,374)	(526,525)
Listing expense (Note 4)	(262,628)	-
Impairment of intangible assets (Note 7)	(650,565)	-
Impairment of investment in associates (Note 5)	(310,000)	-
Impairment of goodwill (Note 6(a))	(856,602)	-
Loss before income taxes	$ (3,087,169)	$ (526,525)
Deferred tax recovery	8,849	179,394
Loss and comprehensive loss	$ (3,078,320)	$ (347,131)
Loss per share-Basic and Diluted	$ (0.04)	$ (0.01)
Weighted average number of shares outstanding-Basic and Diluted	81,991,295	43,591,749

Revenue, Expenses and Net Loss for the year ended February 28, 2023 and 2022

The Company derives revenues from non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. Total revenue for the year ended February 28, 2023, was $170,113 as compared to prior period revenue for $124,612. The revenue included in the financial statements for the Company for both periods is from the ReadyToGo clinic operating at London, Ontario. The Company acquired ReadyToGo clinic on April 27, 2021. During the current year, the Company ended its contract with a major customer and has simultaneously signed contracts with other licensed producers. The revenues increased during the current year as compared to the prior period.

Total operating expenses for the current period were $1,177,488 as compared to prior period operating expense for $651,137.

Total net loss and comprehensive loss for the current period after taxes was $3,078,320 as compared to $347,131 for the prior period.

Operating expenses:

Amortization of intangible assets for the current year was $13,812 (prior year $11,510). 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 the customer relationships intangible asset which was fair valued at $110,500 and was being amortized straight line over a period of 8 years.

Amortization of right-of- use asset for the current period was $29,928 (prior year $24,941). 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 year for $551,406 includes (1) $20,340 to the CEO for services, (2) $61,275 to the CFO for services and $5,800 relating to common shares to the COO for services. Consulting fees for the prior period for $362,032 includes (1) $18,080 to the CEO for services, $45,000 relating to common shares issued for services and (2) $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 the current year for $84,555 (prior period $33,685) is the expenses paid to independent contractors who service the Readytogo clinic business and provide support. The increase in costs in the additional cost of staff needed to supplement and help to grow the business.

Legal and professional expenses for current year for $316,953 reflects legal and audit expenses incurred. Prior period expense was $147,682.

Interest accretion on lease obligation for current year was $22,060 (prior year $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.

Revenue, Expenses and Net Loss for the three-month periods ended February 28, 2023 and 2022

The Company earned revenue of $42,667 for the current three month period as compared to $39,990 for the prior period.

Operating expenses:

Amortization of intangible assets for the current period was $3,453 (prior period $3,453). 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 being amortized straight line over a period of 8 years.

Amortization of right-of- use asset for the current period was $7,482 (prior period $7,482). 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 $111,730 (prior period $105,782 includes fees for consultants engaged for marketing, business relations, business improvement, support, regulatory consulting, and government relations.

Contract work for the current period for $18,299 (prior period $10,464) is the expenses paid to independent contractors who service the Readytogo clinic business and provide support. The increase in costs in the additional cost of staff needed to supplement and help to grow the business.

Legal and professional expenses for current period for $9,128 as compared to $145,187 is primarily legal expenses incurred for the reverse merger transaction and audit fee expenses for the prior period. Current period expense for $9,128 was routine legal cost.

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.

Useful life of intangible assets

The intangible asset 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 life of the asset, the potential for technological obsolescence, and regulations.

LIQUIDITY AND CAPITAL RESOURCES

At February 28, 2023, the Company had cash of $552,219 and working capital of $43,303. During the year ended February 28, 2023, the Company used $1,040,974 in operating activities (prior period used $291,609), used $220,500 in investing activities (prior period used $100,000) and used $45,057 in financing activities (prior period cash of $2,250,359 was provided from financing activities).

During the current year ended February 28, 2023, the Company had cash outflows from operating activities of $1,040,974, which was a result of the net loss of $3,078,320, reduced by the non- cash items included in net loss of $2,165,759 and increased by changes in non-cash working capital of $128,414. The net loss of $3,078,320 is primarily the result of loss on acquisition of the subsidiary (reverse merger transaction) for $262,628, impairment of intangible asset for $650,565, impairment of investment in associates for $310,000 and impairment of goodwill for $856,602, in addition to the consulting, contract and legal expenses incurred (as referred above).

During the prior 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, reduced by the non- cash items included in net loss of $76,589 and reduced by changes in non-cash working capital of $132,111.

The non- cash items included in net loss for the current year ended February 28, 2023, includes loss on acquisition of subsidiary (listing expense) for $262,628, amortization of intangible assets for $13,812, amortization of right-of-use asset for $29,928, interest accretion for $43,773, issue of common shares for services for $7,300, impairment of intangibles for $650,565, impairment of investment in associates for $310,000, impairment of goodwill for $856,602 and deferred tax recovery for $(8,849).

The non- cash items included in net loss for the prior 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 current year ended February 28, 2023, includes outflow as a result of accounts receivable for $33,507, accounts payable and accrued liabilities for $30,567, HST receivable for $72,540 and inflow resulting from other receivables for $1,810 and other payables for $6,390.

The non-cash working capital adjustments for the prior period ended February 28, 2022, includes outflow as a result of other receivables for $1,810 and inflow resulting from accounts payable and accrued liabilities for $132,229 and HST receivable for $1,692.

The Company had outflow from investing activities for $220,500 during the current year ended February 28, 2023 (prior period $100,000). This is a result of investment in Manitari Pharma Inc, an associate in cash for $170,500 (prior period $100,000) and investment in equity of Beatrice Society Holding Inc., a private Company.

The Company had outflow of $45,057 from financing activities during the current year ended February 28, 2023. The outflow was from repayment of lease liabilities for $45,600 and reduced by receipt of subscription receipts for convertible debentures for $543.

The Company had inflow of $2,250,359 from financing activities during the prior period ended February 28, 2022. The inflow was a result of receipt of $1,781,902 (net of share issue costs) from common shares issued for cash, subscription receipts for convertible debentures for $506,457 and reduced by 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 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.

The Company had received cash in escrow for $507,000 for subscription receipts. Each subscription receipt is 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.

Effective July 28, 2022, Optimind was part of a triangular amalgamation among Optimind, its wholly owned subsidiary 1000033135 Ontario Inc. and Optimind Pharma Inc. Subscription receipts for the face value of $507,000 were accordingly converted to convertible debentures which now mature on January 28, 2024. Of this amount, $40,252 was allocated to the equity component of the Debentures and $452,235 amount allocated to the liability component, to be accreted over the term of the Debentures. Due to the

temporary difference between the face value of the Debentures and the liability component, the Company recorded a deferred tax liability of $14,513

As at February 28, 2023, the Company's Debentures were comprised of the following:

		Equity component of convertible debenture		Liability component of convertible debenture
Balance, July 28 2022	**$**	**40,252**	**$**	**452,235**
Accrued interest				30,003
Accretion expenses		-		21,713
Balance, February 28, 2023	**$**	**40,252**	**$**	**503,951**

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, 2023, the Company had 97,931,991 common shares outstanding. As of date of the MD&A, the Company has 97,931,991 common shares outstanding.

Information with respect to outstanding common shares as at February 28, 2023 and the date of the MD&A are as follows:

	Date of MD&A	**February 28, 2023**
Common shares	97,931,991	97,931,991
Stock options	5,900,000	-
Warrants	-	-
Fully diluted shares outstanding	**103,831,991**	**97,931,991**

Share issuances.

During the year ended February 28, 2023

- The Company issued 8,649,983 common shares valued at $0.03 per share, in connection with the reverse merger transaction as discussed in note 4.
- The Company issued 22,500,000 common shares valued at $0.0165 per share, in connection with the acquisition of Mindsetting Institute as discussed in note 6(b).
- The Company issued 180,000 shares fair valued at $5,800 to the COO for services and 50,000 shares fair valued at $1,500 to a consultant for services.

During the period from December 16, 2020 to February 28m 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 6 (a))
- 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 5).
- 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, 2023 and February 28, 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 February 28, 2023, 78% of its revenue was from 4 customers (February 28, 2022: 86% 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 February 28, 2023, the Company had sufficient unrestricted cash of $552,219 to settle current liabilities of $624,502

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.

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") and the Chief Operating officer ("COO")

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

		Year ended February 28, 2023		Incorporation on December 16, 2020 to February 28, 2022
Consulting fees paid to the CEO	$	25,300	$	18,080
Common shares issued for services to the CEO		-		45,000
Common shares issued for services to the COO		5,800		-
Consulting fees paid to the CFO	$	61,275	$	8,475
		92,375	$	71,555

At February 28, 2023, there was $nil (February 28, 2022: $nil) due to the related parties 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

As of February 28, 2023, the Company recorded impairment in goodwill for $856,602 (February 28, 2022: $nil) and impairment in intangible assets comprising of customer relations for $85,178 and brand for $565,387 (February 28, 2022: $nil)

Investment in associates

Manitari Pharma Inc. ("Manitari")

In May 2021, the Company acquired 40% ownership of Manitari and obtained significant influence over its operations. The consideration included 7,000,000 common shares of the Company and $100,000 of cash. The 7,000,000 common shares valued at $210,000. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, will be accessible to qualified non-native patients through North America. As at February 28, 2023, the management impaired the investment in Manitari to zero due to lack of revenue.

During the year ended February 28, 2023, the Company had advanced cash of $170,500 to Manitari, which has been recorded as loan to related party.

Subsequent Events

On March 8, 2023, the Company granted stock options to its directors, officers and consultants to purchase up to 5,900,000 common shares of the Company at an exercise price of $0.05 per common share. The options have a term of four (4) years expiring on March 8, 2027.

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.

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 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. 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