A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions.

*The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons. See "Plan of Distribution".*

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of BetterLife Pharma Inc., 1275 West 6th Avenue, #300, Vancouver, BC, V6H 1A6, Email: Info@BlifePharma.com, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue December 23, 2020

BETTERLIFE PHARMA INC.

$2,944,867.50

5,889,735 Units Issuable upon Exercise of 5,889,735 Special Warrants

This short form prospectus (the "**Prospectus**") qualifies the distribution of 5,889,735 Units (the "**Units**") of BetterLife Pharma Inc. (the "**Company**") issuable upon the exercise or deemed exercise of 5,889,735 special warrants (the "**Special Warrants**") previously issued on December 2, 2020 (the "**Closing Date**"), at a price of $0.50 per Special Warrant (the "**Offering Price**"), to purchasers resident in each of the Provinces of British Columbia, Alberta and Ontario (in addition to offshore purchasers) on a private placement basis pursuant to prospectus exemptions under applicable securities legislation (the "**Offering**"). Each Unit consists of one common share (a "**Unit Share**") in the capital of the Company and one common share purchase warrant (a "**Warrant**"). The Special Warrants were issued pursuant to the terms of a special warrant indenture (the "**Special Warrant Indenture**") dated December 2, 2020 between the Company and National Securities Administrators Ltd. ("**NSAL**") and an agency agreement dated December 2, 2020 (the "**Agency Agreement**") between the Company and Mackie Research Capital Corporation as lead agent and sole bookrunner (the "**Lead Agent**"), and Haywood Securities Inc. (collectively with the Lead Agent, the "**Agents**"). The Offering Price and other terms of the Offering were determined by arm's length negotiation between the Company and the Agents. See "Plan of Distribution".

There is no market through which the Warrants may be sold, and purchasers may not be able to resell the Warrants acquired pursuant to the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of

issuer regulation. An investment in the securities of the Company is speculative and involves a significant degree of risk. See "Risk Factors".

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Units upon deemed exercise of the Special Warrants.

The Company's common shares (the "**Common Shares**") are listed and posted for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "BETR", the OTCQB under the symbol "BETRF" and on the Frankfurt Exchange under the symbol "NPAU". On December 22, 2020, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE, the QTCQB and the Frankfurt Exchange was $1.57, US$1.225 and €1.03, respectively.

	Price to the Public	Agents' Fee[(1)]	Net Proceeds to the Company[(2) (3)]
Per Special Warrant.....	$0.50	$0.04	$0.46
Total	$2,944,867.50	$235,589.40	$2,709,278.10

(1) Pursuant to the Agency Agreement, the Company paid to the Agents a fee equal to 8.0% of the aggregate gross proceeds of the Offering (the "**Agents' Fee**"). As additional compensation, the Company also issued compensation options (the "**Compensation Options**") to the Agents. The Compensation Options entitle the Agents to purchase that number of Units (the "**Agents' Units**") as is equal to 8% of the total number of Special Warrants sold under the Offering, at an exercise price per Agents' Unit equal to the Offering Price for a period of 36 months from the Closing Date. If the Qualification Date (as defined below) does not occur on or before the Qualification Deadline (as defined below), each Compensation Option that has not been exercised shall be exercisable to acquire one-and-one tenth (1.10) Agents' Units, and an additional 0.02 of an Agents' Unit for each additional 30 days thereafter prior to the Qualification Date. This Prospectus qualifies the distribution of any Agents' Units, including any additional Agents' Units, issued prior to April 3, 2021. See "Plan of Distribution".

(2) After deducting the Agents' Fee, but before deducting the expenses of the Offering and the qualification for distribution of the Units, estimated to be $320,000, which will be paid out of the gross proceeds of the Offering.

(3) The distribution of the Units upon exercise of the Special Warrants will not result in any proceeds being received by the Company.

Each Special Warrant entitles its holder to receive, upon exercise or deemed exercise, one Unit at no additional cost. Each Special Warrant shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof, on the day (the "**Qualification Date**") that is the earlier of: (i) as soon as reasonably practicable, and in any event no later than the third business day, following the day the Company obtains a final receipt from the Canadian securities regulatory authorities for a final short form prospectus qualifying the distribution of the Units in each of the provinces of Canada in which Special Warrants were sold (the "**Qualifying Jurisdictions**"); and (ii) April 3, 2021. The Company has agreed to use reasonable commercial efforts to file, and obtain a receipt for, a final short form prospectus qualifying the Units issuable upon exercise of the Special Warrants on or before January 11, 2021, being 40 days after the Closing Date (the "**Qualification Deadline**"). If the receipt for the final Prospectus is not received on or before the Qualification Deadline, each holder of a Special Warrant shall be entitled to receive, without payment of additional consideration, one-and-one tenth (1.10) Units per Special Warrant (in lieu of one Unit per Special Warrant) and thereafter at the end of each additional 30 day period prior to the Qualification Date, each Special Warrant will be exercisable for an additional 0.02 of a Unit (each additional 0.10 Unit and 0.02 Unit to be issued upon the exercise or deemed exercise of each Special Warrant after the Qualification Deadline are collectively referred to as the "**Additional Units**"). This Prospectus also qualifies the distribution of any Additional Units upon the exercise or deemed exercise of the Special Warrants. See "Plan of Distribution".

The Warrants are issuable pursuant to a warrant indenture dated December 2, 2020 (the "**Warrant Indenture**") between the Company and NSAL. Each Warrant will entitle the holder to acquire one common share in the capital of the Company (a "**Warrant Share**", and together with the Unit Shares, the "**Underlying Shares**") at an exercise price of $0.60 per Warrant Share for a period of 36 months following the Closing Date, subject to adjustment in certain circumstances.

The following table sets out the securities issuable to the Agents:

Agent's Position	Maximum size or number of securities available for Offering	Exercise period	Exercise price
Compensation Options	471,178 Agents' Units	December 2, 2023	$0.50 per Agents' Unit

Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by Alexander Holburn Beaudin + Lang LLP and on behalf of the Agents by Fasken Martineau DuMoulin LLP.

An investment in the securities of the Company is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See "Risk Factors" and "Cautionary Statement Regarding Forward Looking Information". Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

The CSE has approved the Offering, including the listing of the Underlying Shares, including the Unit Shares comprising the Agents' Units and the Warrant Shares issuable upon exercise of the Warrants comprising the Agents' Units. See "Plan of Distribution".

Investors should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Agents have not authorized anyone to provide investors with information different from that contained or incorporated by reference in this Prospectus. Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Special Warrants, the Underlying Shares and the Warrants, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Special Warrants, the Underlying Shares and the Warrants.

Unless otherwise indicated, all references to dollar amounts in this Prospectus are to Canadian dollars.

The Company's head office is located at 1275 West 6th Avenue, #300, Vancouver, BC, V6H 1A6. The Company's registered office is located at Suite 2700-700 West Georgia Street, Vancouver, British Columbia, V7Y 1B8.

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DEFINITIONS

All capitalized terms not defined herein have the meanings ascribed to them in the Annual Information Form (as defined herein).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements (collectively, "**forward-looking statements**") that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements, although not all forward-looking statements include such words. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to:

- uncertainties with respect to the effects that the novel coronavirus known as COVID-19 ("**COVID-19**") will directly and indirectly have on the Company;
- the Company's expectations regarding its revenue, expenses and research and development operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow its business and operations;
- expectations with respect to future production costs and capacity;
- expectations regarding the Company's growth rates, growth plans and strategies;
- expectations with respect to the approval of the Company's license applications;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's business objectives for the next twelve months;
- the Company's plans with respect to the payment of dividends;
- the Company's ability to obtain additional funds through the sale of equity or debt instruments;
- the ability of the Company's products to access markets;
- the Company's ability to expand into international markets; and
- the Company's relationship with its distribution partners.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to , the following: (i) the Company obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; (ix) the maintenance of the Company's current good relationships with its suppliers, service providers and other third parties; (x) financial results, future financial position and expected growth of cash flows; (xi) business strategy, including budgets, projected costs, projected capital expenditures, taxes, plans, objectives, potential synergies and industry trends; (xii) research and development; (xiii) expectations concerning the size and growth of the global medical technology market; and (xiv) the

effectiveness of the Company's products compared to its competitors' products. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- the COVID-19 pandemic and related government responses could have a material and adverse effect on the Company's business, financial condition and results of operations;
- there is substantial doubt as to whether the Company will continue operations. If the Company discontinues operations, you could lose your entire investment;
- the Company has incurred operating losses in each year since inception and may continue to incur substantial and increasing losses for the foreseeable future. It also has negative capital cash flows from operating activities. If the Company cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, it may suspend or cease operations;
- the Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available it may need to significantly curtail or cease operations;
- the Company's inability to complete its development projects in a timely manner could have a material adverse effect of its results of operations, financial condition and cash flows;
- the Company may not commence clinical testing for any of its prospective pharmaceutical products and the commercial value of any clinical study that it may conduct will depend significantly upon its choice of indication and its patient population selection. If it is unable to commence clinical testing or if it makes a poor choice in terms of clinical strategy, it may never achieve revenues;
- the Company will rely on third parties to conduct its research, development and manufacturing activities. If these third parties do not perform as contractually required, fail to meet its manufacturing requirements and applicable regulatory requirements or otherwise expected, it may not be able to commercialize its products, which may prevent it from becoming profitable;
- if the Company is unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, it may not be successful in commercializing its product candidates;
- the Company's product candidates may never gain market acceptance, which could prevent it from generating revenues;
- the Company faces potential product liability exposure, and any claim brought against it may cause it to divert resources from normal operations or terminate selling, distributing and marketing any of its products. This may cause the Company to cease operations as it relates to that product;
- the manufacturing of the Company's products will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent it from achieving its goals or becoming profitable;
- since certain of the Company's directors are located outside of Canada, you may be limited in your ability to enforce Canadian civil actions against them for damages to the value of your investment. The Company plans to indemnify its directors and officers against liability to the Company and its security holders, and such indemnification could increase operating costs;
- the Company has no sources of product revenue and it will not be able to maintain operations and research and development without sufficient funding;

- the Company is highly dependent upon certain key personnel and their loss could adversely affect the Company's ability to achieve its business objectives;
- if the Company breaches any of the agreements under which it licenses rights to product candidates or technology from third parties, it can lose license rights that are important to its business. the Company's current license agreements may not provide an adequate remedy for breach by the licensor;
- preclinical and clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results and the Company's product candidates may not have favorable results in later trials or in the commercial setting;
- if the Company is unable to enroll subjects in clinical trials, it will be unable to complete these trials on a timely basis;
- if the Company's competitors develop and market products that are more effective than the Company's existing product candidates or any products that it may develop, or obtain marketing approval before the Company does, the Company's products may be rendered obsolete or uncompetitive;
- the Company relies and will continue to rely on third parties to plan, conduct and monitor preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to the Company's business;
- the Company relies on contract manufacturers over whom it has limited control. If the Company is subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, its business operations could suffer significant harm;
- the Company's future success is dependent primarily on the regulatory approval of a single product;
- the Company will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates;
- the Company's products may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices or healthcare reform initiatives, thereby having an adverse effect on its business;
- negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products may have an adverse impact on future commercialization efforts;
- the Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete cash resources;
- changes in government regulations, although beyond the Company's control, could have an adverse effect on its business;
- the Company's discovery and development processes may involve the use of companion diagnostics or biomarkers;
- significant disruption in availability of key components for ongoing preclinical and clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates;
- the Company's products or technologies may need to be used in connection with third-party technologies or products;
- the Company could be adversely impacted by unauthorized actions or the distribution of inaccurate information;
- the Company may pursue other business opportunities in order to develop its business and/or products;
- the risk of litigation that may compromise its ability to conduct the Company's business;

- the Company's success depends on its ability to effectively manage its growth;
- it may be difficult for non-Canadian investors to obtain and enforce judgments against the Company because of its Canadian incorporation and presence;
- significant disruptions of information technology systems or security breaches could adversely affect the Company's business;
- return on Investment is not guaranteed;
- discretion in the Use of Proceeds from the Offering;
- trading on the CSE and the OTC Bulletin Board may be volatile and sporadic, which could depress the market price of the Company's common stock and make it difficult for its stockholders to resell their shares;
- the Company's stock is a penny stock. Trading of the Company's stock may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a stockholder's ability to buy and sell the Company's stock;
- you will experience dilution or subordinated stockholder rights, privileges and preferences as a result of the Company's financing efforts;
- the Company does not intend to pay dividends and there will thus be fewer ways in which you are able to make a gain on your investment, if at all;
- the market price of Common Shares is subject to fluctuation and general stock exchange volatility;
- there is no market for Warrants;
- holders of Warrants have no rights as a shareholder;
- the price of the Company Shares may be subject to fluctuation in the future based on market conditions;
- if the Company is unable to maintain and enforce its proprietary intellectual property rights, it may not be able to operate profitably;
- if the Company is the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause it to go out of business;
- the Company may in the future be required to license patent rights from third-party owners in order to develop its products candidates. If it cannot obtain those licenses or if third party owners do not properly maintain or enforce the patents underlying such licenses, the Company may not be able to market or sell its planned products; and
- the Company's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them.

The above list is not exhaustive of the factors that may affect any of the forward-looking statements of the Company. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might materially vary from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" should be considered carefully by readers.

Certain of the forward-looking statements and other information contained herein concerning the pharmaceutical industry and the general expectations of the Company concerning the pharmaceutical industry and concerning the Company are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the pharmaceutical industry involves risks and

uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors".

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, and other risk factors, and other aspects, of their investment.

ELIGIBILITY FOR INVESTMENT

Based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Unit Shares and Warrants acquired pursuant to the deemed exercise of the Special Warrants and the Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**") and tax-free savings account ("**TFSA**") (collectively, "**Deferred Plans**") provided that (i) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX), and (ii) in the case of the Warrants, neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be a "qualified investment" for a Deferred Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA or RDSP, or the subscriber of an RESP will be subject to a penalty tax if such Unit Shares, Warrants and Warrant Shares are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP or TFSA. The Unit Shares, Warrants and Warrant Shares will generally not be a "prohibited investment" for a particular RRSP, RRIF, RESP, RDSP or TFSA provided that the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP, or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of these rules) for the particular TFSA, RRSP, RESP, RDSP or RRIF.

Persons who intend to hold Unit Shares, Warrants and Warrant Shares in a trust governed by a Deferred Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the Qualifying Jurisdictions are available at www.sedar.com and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the annual information form of the Company for the financial year ended January 31, 2020 dated June 5, 2020 and filed on October 15, 2020 (the "**Annual Information Form**");
- the audited consolidated financial statements of the Company, for the years ended January 31, 2020 and 2019, together with the auditors' report thereon and the notes thereto (the "**Annual Financial Statements**");
- the management's discussion and analysis of financial condition and results of operations of the Company for the year ended January 31, 2020 (the "**Annual MD&A**");
- the condensed interim consolidated financial statements of the Company for the three and nine months ended October 31, 2020 and October 31, 2019, and the notes thereto, except the notice provided under subparagraph 4.3(3)(a) of National Instrument 52-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") (the "**Interim Financial Statements**");
- the management's discussion and analysis of financial condition and results of operations of the Company for the nine months ended October 31, 2020 and October 31, 2019 (the "**Interim MD&A**");
- the management information circular of the Company dated November 20, 2020 distributed in connection with the Company's annual general meeting of shareholders **[to be]** held on December 14, 2020;
- the filing statement of the Company filed on August 31, 2020;
- the material change report dated April 7, 2020 announcing the granting of options, the termination of three positions and the settlement of litigation;
- the material change report dated May 13, 2020 announcing the entering into of a licensing agreement with Altum Pharmaceuticals Inc., a change in the board, a warrant repricing and the grant of options;
- the material change report dated May 26, 2020 announcing an option grant and the entering into of lock-up agreements for a potential business combination with Altum Pharmaceuticals Inc.;
- the material change report dated June 9, 2020 announcing a change of the OTC ticker symbol, from "PVOTF" to "BETRF";
- the material change report dated June 15, 2020 announcing the Company entered into an exclusivity agreement with Altum Pharmaceuticals Inc. to work towards finalizing a mutually acceptable definitive agreement for the business combination transaction;
- the material change report dated June 29, 2020 announcing a share consolidation on a ten for one basis;
- the material change report dated July 30, 2020 announcing the receipt of shareholder approval from the shareholders of Altum Pharmaceuticals Inc. for the business combination with the Company;
- the material change report dated August 11, 2020 announcing the closing of a non-brokered private placement for gross proceeds of $1,361.777;
- the material change report dated September 9, 2020 announcing the closing of the business combination with Altum Pharmaceuticals Inc.;
- the material change report dated October 8, 2020 announcing the sale of Pivot Pharmaceuticals Manufacturing Inc. and the entering into of an agreement for the production of interferon alpha 2b;
- the material change report dated October 19, 2020 announcing the entry into of an engagement letter with the Agents;
- the material change report dated December 2, 2020 announcing the closing of the Offering;
- the material change report dated December 8, 2020 announcing the proposed acquisition of patents from Nutraneeds LLC; and

- the material change report dated December 21, 2020 announcing the closing of the acquisition of patents from Nutraneeds LLC.

Material change reports (other than confidential reports), business acquisition reports, annual financial statements, interim financial statements, the associated management's discussion and analysis of financial condition and results of operations and all other documents of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion of the distribution of the Units, will be deemed to be incorporated by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the statement or document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Copies of the documents incorporated herein by reference may also be obtained on request without charge from the Corporate Secretary of BetterLife Pharma Inc., 1275 West 6th Avenue, #300, Vancouver, BC V6H 1A6, Email: Info@BlifePharma.com.

THE COMPANY

Overview of Business of the Company and Business Objectives

The Company is a biopharmaceutical company engaged in the development and commercialization of patented and differentiated pharmaceuticals. The Company has not been profitable since its inception and expects to continue to incur substantial losses as it continues research and development efforts. The Company does not expect to generate significant revenues until, if and when, its product(s) become commercially viable.

The Company currently has four employees. Its management team brings extensive skill, knowledge and experience in drug development. The Company's Chief Executive Officer, Dr. Ahmad Doroudian, is experienced in the management, development and financing of pharmaceuticals companies. The Company's Chief Financial Officer, Moira Ong, has over 20 years of experience in financial reporting and management. Its Chief Operating Officer of its wholly-owned subsidiary, Altum Pharmaceuticals Inc. ("Altum"), Dr. Hooshmand Sheshbaradaran, has held senior executive positions at global pharmaceutical companies and provides skill and knowledge in the areas of drug development, marketing, business development, financing and executive operations. Altum's Chief Medical Officer Dr. Angela Ogden, is an oncologist with background in the conduct of Phase I, II, III and IV clinical trials. The Company also has two senior consultants. Patrick Kroupa is the Chief Psychedelic Officer. Mr. Kroupa has over 20 years of experience working with a wide spectrum of psychedelic compounds to address mental health and drug dependence disorders. Patrick brings a tremendous breadth of experience utilizing cutting-edge molecular advancements to enhance the positive outcomes of unaddressed patient populations. Justin Kirkland is the Chief Psychedelic Scientist. Mr. Kirkland is a chemist with experience in natural products, small molecules, peptide synthesis, analytical chemistry, and drug formulations for improved bioavailability. Mr. Kirkland has earned a BS in Agronomy and an MS in Biology, and attended medical school in Belize at the Central American Health Sciences University. He was recently awarded a U.S. patent for the improved synthesis of the ergoline, 2-bromo-LSD.

The Company currently has four products in its pipeline: TD-0148A, AP-001, AP-002 and AP-003.

TD-0148A, which was previously referred to as BOL-148 but was renamed after its acquisition from Nutraneeds

LLC, is a nontoxic second-generation Lysergic Acid Diethylamide ("LSD") derivative molecule that mimics the projected therapeutic potential of LSD in the treatment of disorders such as severe depression, substance dependencies, post-traumatic stress disorder ("PTSD"), and migraines. Human clinical trials have been conducted several decades ago with TD-0148A synthesized from LSD. The very strict controlled substance classification of LSD (Schedule 1) prevented further research in this arena. The Company's TD-0148A issued patent is a manufacturing process pathway that does not start with nor generate LSD at any stage. TD-0148A synthesis is therefore not subject to Schedule 1 controlled substance restrictions, and the Company can move ahead with TD-0148A large scale synthesis and clinical trials.

AP-001 is a topical cream formulation of interferon-alpha 2b based on the Company's patented Biphasics formulation system. It is being developed for treatment of human papilloma virus ("**HPV**") induced cervical intraepithelial neoplasia ("**CIN**"). Patients with CIN are at risk for developing cervical cancer. AP-001 is a patient self-administered intra-vaginal cream and has completed Phase 1-2 trials. Currently there are no human clinical trials ongoing with AP-001. The Company's goal is to initiate the AP-001 Phase 2b trial in the third quarter of 2021, which, if successful, could potentially lead to a registration Phase 3 trial. The cost to conduct the full trial is estimated to be approximately $20 million, of which the Company estimates $5.4 million to be required over the next 12 months to prepare for the trial.

AP-002 is a novel gallium-based anti-cancer agent. AP-002 is currently in first in human clinical trial (Phase 1). The trial is being conducted in the USA and in advanced/metastatic cancer patients failing standard treatments. The Company has completed the dose escalation part of the trial, and due to COVID-19 the continuation of the study was halted. The trial is now closed. The study data analysis and final study report is to be completed. At present, the Company has no plans for further development of AP-002.

AP-003 is a patent pending proprietary IFNa2b inhalation formulation. In recent studies IFNa2b has been shown to be effective in slowing SARS-CoV-2 viral replication. In the study published Friday May 15, 2020 in Frontiers of Immunology titled "Interferon-a2b Treatment for COVID-19", the authors examined the course of disease in a cohort of 77 individuals with confirmed COVID-19 admitted to Union Hospital, Tongii Medical College, Wuhan, China, between January 16 and February 20, 2020. To the knowledge of the authors the findings presented in the study were the first to suggest therapeutic efficacy of IFNa2b in COVID-19 disease.

Cautionary note: The Company is not making any express or implied claims that AP-003 or any other product has the ability to treat, eliminate, cure or contain the COVID-19 (or SARS-2 Coronavirus) at this time. Further, the safety and efficacy of AP-003 is under investigation and market authorization has not yet been obtained.

Product Description and Target Disease

TD-0148A's patented process allows for cost effective manufacturing of TD-0148A, does not use LSD as starting point nor generates LSD at any stage in the process. LSD has been studied for the treatment of people with a number of psychiatric conditions, including severe depression, alcoholism, and posttraumatic stress disorder throughout the 1950s and 1960s and research is currently experiencing a renaissance, with a number of publications referencing the efficacy of LSD (a Schedule 1 substance) to alleviate or reverse certain mental health conditions. 2-Bromo-Lysergic Acid Diethylamide ("2-Bromo-LSD") is an orally administered small molecule drug. Pharmacologically, it acts upon the Serotonin 5HT2A receptor. The Company plans to develop 2-Bromo-LSD to treat mental health disorders including Treatment-resistant Depression ("TRD") and migraines. TRD is a term used in clinical psychiatry to describe a condition that affects patients diagnosed with major depressive disorder who do not respond adequately to a course of appropriate antidepressant medication within a certain time. Studies have shown treatment-resistant depression has been associated with lower long-term quality of life as well as more instances of relapse than depression that is responsive to treatment. 2-Bromo-LSD will be developed as a patient self-administered medication prescribed by a psychiatrist. 2-Bromo-LSD has been included in multiple studies in humans. No adverse events were reported in any of the published literature. TD-0148A human studies to date have been in healthy volunteers, cluster headaches and schizophrenia. TD-0148A studies in TRD have not been conducted to date and will be the first target indication under the current development plan.

AP-001 is a topical formulation of recombinant human IFNa2b based on the patented Biphasix™ drug formulation technology. The Biphasix formulation allows stable cream formulation of IFNa2b and its delivery across the dermis/mucosa, with minimal systemic exposure. AP-001 is being developed to treat HPV induced CIN, the precursor to cervical neoplasia. In the USA, terminology is shifting from CIN classification to Squamous

Intraepithelial Lesions. Low-grade squamous intraepithelial lesions ("**LSIL**") is equivalent to CIN-1 and high grade squamous intraepithelial lesions ("**HSIL**") encompasses both CIN-2 and CIN-3. Current treatments of HSIL are all based on invasive surgical procedures. These procedures all require medical professional administration, have procedure associated discomfort, and risks for complications including bleeding and future pregnancy complications. In addition, 10-30% of women will have persistence of HPV following the procedure so have a continued risk of cervical cancer. AP-001 is being developed to be a non-invasive, self-administered treatment for HSIL, with minimal side effects. IFNa2b is a potent cytokine that possesses antiviral, immunomodulating, and antiproliferative activities. Recombinant human IFNa2b in an injectable form (Intron® A, Merck and Co, formerly Schering Plough) is approved in the US for both anti-viral and anti-neoplastic indications. In most indications, Intron A is administered by intravenous (IV), intramuscular (IM) or subcutaneous (SC) route, which results in range of severe adverse events (AEs). Intron A has received approval for anogenital warts caused by HPV, demonstrating the activity of IFNa2b against this virus. Intron A is administered by intralesional injections for HPV-induced anogenital warts when administered by intralesional injection, limiting its use in this indication. Intralesional injections are painful and must be administered by a medical professional. Intron A has not been developed for treatment of HPV-induced CIN. In contrast to the IV, IM, SC or intralesional injections required for Intron A, AP-001 will be a topical formulation of IFNa2b for local intra-vaginal use. Completed human AP-001 Phase 1-2 trials have shown minimal local AEs, and no systemic presence of IFNa2b upon use of AP-001.

AP-002 is an organo-gallium complex whose drug substance is: tris (8-quinolinolato) gallium(III). The finished drug product is an enteric protected tablet for oral administration. Preclinical studies show that AP-002 has distinct direct anti-tumor activity as well as direct anti-osteoclast activity. The activity profile of AP-002 makes it a promising development candidate to potentially treat cancers which give rise to bone metastases, which include breast, lung and prostate cancers.

AP-003 is a patent pending proprietary IFNa2b inhalation formulation. In recent preclinical studies, IFNa2b has been shown to be effective in slowing SARS-CoV-2 viral replication. To date one human clinical study of inhaled IFNa2b to treat COVID-19 has been completed and published (May 13, 2020 in Frontiers in Immunology, entitled "Interferon-a2b Treatment for COVID-19". In this study, the authors examined the course of SARS CoV-2 in a cohort of 77 individuals with confirmed COVID-19 admitted to Union Hospital, Tongii Medical College, Wuhan, China, between January 16 and February 20, 2020. To the knowledge of the authors the findings presented in the study were the first to suggest therapeutic efficacy of IFNa2b in COVID-19 disease.

Product Current Stage of Development

TD-0148A has completed several human studies. However, most of these human studies were conducted at the end of the 1950's and early 1960's. Therefore for purposes of US FDA or other health regulatory authority purposes to start human clinical trials, TD-0148A is at preclinical stage of development.

AP-001 has completed two HPV associated CIN clinical trials in Germany:

- **Study IFN002**: An open-label study in women with low grade cervical lesions (Munich IIW, III or IIID Pap smears) and a concurrent observational study of untreated subjects (Study HPV001).

- **Study IFN005**: An open-label safety, pharmacokinetics (PK), and efficacy study in women with CIN 1 or CIN 2.

AP-001 has also completed an HPV associated anogenital wart clinical trial: **Study IFN001**: A randomized, double-blind, placebo-controlled study in women with anogenital warts.

AP-001 is now entering a Phase 2b trial. This study will be a randomized double blinded placebo controlled trial in HSIL patients. The aim of the trial is to obtain optimal schedule, clinical efficacy and adverse events profile data. The trial is projected to start in the third quarter of 2021, pending sufficient financing to conduct the trials.

AP-001 is a topical formulation of recombinant human IFNa2b based on the patented Biphasix™ drug formulation technology. The recombinant human IFNa2b drug substance that will be used to manufacture the AP-001 cream will be the same recombinant human IFNa2b drug substance that used for AP-003.

AP-003 is currently in preclinical development. A proprietary recombinant human IFNa2b produced in E. coli is under development, which will provide the drug substance to be used for various formulations such as the AP-001

cream or AP-003 inhalation formulation. The AP-003 IFNa2b inhalation formulation is proprietary to Altum. This formulation is under development.

Product Current Regulatory Status, Development Strategy and Projected Timelines

TD-0148A is currently at preclinical stage of development. The Company intends to set up GMP manufacturing of TD-0148A, and alongside complete all the necessary preclinical and IND enabling toxicology studies. The TD-0148A US Investigational New Drug ("IND") filing is projected to be by the fourth quarter of 2021, with the start of a Phase 1 clinical trial in healthy volunteers, which will be followed in 2022 with initiation of two Phase 2 trials: one trial in TRD (randomized, placebo controlled), and trial one in migraines (single arm study).

The previously completed AP-001 Phase 1-2 trials were conducted using AP-001 which had IFNa2b provided by Merck under a supply agreement, which is now terminated. The Company is now manufacturing its own proprietary IFNa2b to be used in manufacturing of AP-001 for all future trials. AP-001 has an IND. The AP-001 IND is currently inactive. With AP-001 manufactured using the Company's own IFNa2b, the Company plans to file a new IND under which the AP-001 Phase 2b will be conducted in US. The AP-001 Phase 2b trial is projected to start in the third quarter of 2021. The follow-on AP-001 Phase 3 could potentially start by 2022.

AP-003 is currently in preclinical stage of development. The manufacturing and formulation work is currently ongoing. A pre-IND discussion has been conducted with the US Food and Drug Administration ("FDA") for use of AP-003 inhalation in COVID-19. Based on FDA feedback, an inhalation GLP toxicology study in rats using AP-003, is under planning. Given the advent of effective SARS-CoV-2 vaccines, the AP-003 development timing and path are being currently reassessed. IFNa2b is a broad acting anti-viral agent, and preclinical studies show that it is effective against many viruses. Importantly, viruses have not been seen to develop resistance to IFN. AP-003 is therefore a potential treatment for mutant SARS-CoV-2 viruses that bypass the current vaccines, or other new coronavirus pandemics that may arise in the future. The Company expects to begin trials in the first quarter of 2021. The AP-003 IND is projected to be filed third quarter of 2021 and clinical trials to start shortly thereafter.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the Offering, on the share capital of the Company since October 31, 2020, the date of the Company's most recently filed financial statements. This table should be read in conjunction with the Annual Financial Statements and the Interim Financial Statements, and the respective related Annual MD&A and Interim MD&A, that are incorporated by reference in this Prospectus.

	As at October 31, 2020 before giving effect to the Offering	**As at October 31, 2020 after giving effect to the Offering**	**As at October 31, 2020 after giving effect to the Offering and the exercise of the Special Warrants**
Share Capital	$84,302,955	$84,302,955	$86,927,873(1)(2)
Equity Issuable	$126,520	$Nil	$Nil
Common Shares (Authorized: unlimited)	36,956,023 Common Shares	36,956,023 Common Shares	43,316,940 Common Shares(1) (2)
Special Warrants	Nil Special Warrants	5,889,735 Special Warrants(3)	Nil Special Warrants(3)
Warrants	8,613,171 Warrants(3)	8,613,171 Warrants	14,974,085 Warrants(4)
Compensation Options	Nil Compensation Options	471,179 Compensation Options(5)	Nil Compensation Options(5)
Stock Options	2,072,712 Stock Options(6)	2,072,712 Stock Options(6)	2,072,712 Stock Options(6)
Restricted Stock Units	20,000 Restricted Stock Units(6)	20,000 Restricted Stock Units(6)	20,000 Restricted Stock Units(6)
Performance Stock Units	50,000 Performance Stock Units(6)	50,000 Performance Stock Units(6)	50,000 Performance Stock Units(6)
Deficit	($63,747,061)	($63,747,061)	($63,747,061)
Equity Reserves	$20,911,765	$23,301,093(7)	$20,911,765(8)

Total Shareholder's Equity	$41,572,695(9)	$43,835,053	$44,071,093

Notes:

(1) Subsequent to October 31, 2020, share capital amount (including the fair value of the securities exercised) and number of Common Shares increased by: (i) $2,389,328 upon exercise of 5,889,735 Special Warrants; and (ii) $235,589 upon exercise of 471,179 Compensation Options at an exercise price of $0.50 per unit. The total subsequent increase was $2,624,918 in share capital amount and 6,360,913 in additional issuance of number of Common Shares.

(2) The share amount includes the fair value of the share portion of the Units upon the exercise of the Special Warrants and Compensation Options of $3,297,598 less offering costs totaling $908,270.

(3) Upon the offering of Special Warrants, the number of Special Warrants increased by 5,889,735. Subsequent to October 31, 2020, the number of Special Warrants decreased by 5,889,735 upon the exercises of Special Warrants.

(4) Subsequent to October 31, 2020, the number of warrants increased by 6,360,914 upon the exercise of 5,889,735 Special Warrants and 471,179 Compensation Options.

(5) Upon the offering of Special Warrants, the number of Compensation Options increased by 471,179. Subsequent to October 31, 2020, the number of Compensation Options decreased by 471,179 upon the exercises of Compensation Options.

(6) The number of Stock Options, Restricted Stock Units and Performance Stock Units did not change as a result of the Offering and exercise of the Special Warrants.

(7) Upon completion of the Offering, the equity reserves were increased by the gross proceeds of the Offering of $2,944,868 and the fair value of $352,730 of the Compensation Options. The increase was partially offset by offering costs totaling $908,270.

(8) Subsequent to October 31, 2020, the changes in equity reserves amount were due to exercises of Special Warrants and Compensation Options with a net amount of $2,389,328.

(9) Total shareholder's equity included $21,484 of accumulated other comprehensive loss as at October 31, 2020.

USE OF PROCEEDS

Use of Proceeds

The Company has received gross proceeds of approximately $2,944,868 from the sale of the Special Warrants. The net proceeds to the Company from the Offering is approximately $2,574,978 after deducting the Agents' Fee and the Agents' expenses in connection with the Offering and the estimated expenses of the Company in connection with the qualification for distribution of the Units. The Company intends to use the net proceeds from the Offering as set out in the table below:

Clinical, manufacturing and regulatory for product pipelines.....	$1,440,000
Working Capital and General and Administrative Expenses	$1,134,978
Total	**$2,574,978**

To date, the Company has utilized approximately $2,045,000 of the net proceeds as follows: $1,214,000 on clinical, manufacturing and regulatory activities, $798,000 on working capital and $33,000 on expenses of the Offering and the qualification for distribution of the Units.

Although the Company intends to use the proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary depending on future developments or unforeseen events.

The Company has no history of revenue from its operating activities. During the nine months ended October 31, 2020 the Company had negative cash flow from operating activities, reported a net loss of $9,086,056 and net loss per share of $0.43. The Company anticipates it will continue to have negative cash flow from operating activities and net losses in future periods unless and until commercial sales are achieved for one or more of the Company's products. A portion of the proceeds from the Offering will be used to fund negative cash flow from operating activities in future periods. See "*Risk Factors*".

Business Objectives and Milestones

The following table outlines the key milestones for the Company's business plan and the expected general timeline. The Company estimates that the business plan will cost approximately $17.3 million. Actual costs for each milestone noted below cannot be separated from the total cost of the trials as the costs of each step are closely linked. The Company will be seeking additional financing including, but not limited to, equity and convertible debt offerings. See "Risk Factors - *The Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available it may need to significantly curtail or cease operations*".

Milestone	Timeframe	Approximate Cost
TD-0148A		
Pharmacology, toxicology and other non-clinical studies	Months 1 to 9	$1,575,000
Independent investigator and clinical studies	Months 1 to 12	$2,344,000
Manufacture of drug product and ongoing stability studies	Months 1 to 12	$1,450,000
Canada and U.S. regulatory support	Months 1 to 12	$225,000
Filing of new and maintenance of current patents	Months 1 to 12	$100,000
AP-001		
Supportive pre-clinical studies	Months 1 to 12	$1,400,000
Randomized, placebo controlled adaptive studies	Months 10 to 12	$282,000
Manufacture of drug product and ongoing stability studies	Months 1 to 12	$3,500,000
Canada and U.S. regulatory support	Months 1 to 12	$160,000
Filing of new and maintenance of current patents	Months 4 to 6	$20,000
AP-002		
Phase 1 monotherapy	Months 1 to 3	$600,000
Manufacturing	Months 1 to 3	$35,000
U.S. regulatory support	Months 1 to 3	$5,000
Maintenance of patents	Months 1 to 6	$11,000
AP-003		
Independent investigator studies	Months 1 to 12	$1,905,000
Manufacture of drug product and ongoing stability studies	Months 1 to 12	$596,000
Regulatory support	Month 1 to 12	$22,000
Filing of new and maintenance of current patents	Months 1 to 12	$50,000

Forecast 12 Month Budget

	TD-0148A	AP-001	AP-002	AP-003	Corporate	Total
Pre-clinical	$1,575,000	$1,400,000	-	-	-	$2,975,000
Clinical	$2,344,000	$282,000	$600,000	$1,905,000	-	$5,131,000
Manufacturing	$1,450,000	$3,500,000	$35,000	$596,000	-	$5,581,000
Regulatory	$225,000	$160,000	$5,000	$22,000	-	$412,000
Intellectual property	$100,000	$20,000	$11,000	$50,000	-	$181,000
Corporate	-	-	-	-	$3,050,000	$3,050,000
	$5,694,000	$4,400,000	$651,000	$2,573,000	$3,050,000	$17,330,000

PLAN OF DISTRIBUTION

This Prospectus is being filed in the Provinces of British Columbia, Alberta and Ontario to qualify the distribution of 5,889,735 Units issuable upon the deemed exercise of 5,889,735 Special Warrants.

On December 2, 2020, the Company completed the Offering of 5,889,735 Special Warrants pursuant to prospectus exemptions under applicable securities legislation in each of the Provinces of British Columbia, Alberta and Ontario (and

in jurisdictions outside of Canada in compliance with laws applicable therein), on a commercially reasonable best efforts private placement basis at the Offering Price per Special Warrant, which was determined by arm's length negotiation between the Company and the Agents. The Special Warrants were issued pursuant to the terms of the Special Warrant Indenture.

Each Special Warrant entitles its holder to receive, upon deemed exercise, one Unit at no additional cost. Each Special Warrant shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof, on the Qualification Date, being the earlier of: (i) as soon as reasonably practicable, and in any event no later than the third business day, following day the Company obtains a final receipt from the Canadian securities regulatory authorities for a final short form prospectus qualifying the distribution of the Units in the Qualifying Jurisdictions; and (ii) April 3, 2021. The Company has agreed to use reasonable commercial efforts to file and obtain a receipt for a final short form prospectus qualifying the Units issuable upon exercise of the Special Warrants on or before the Qualification Deadline, being January 11, 2020. If a receipt for the final Prospectus is not received on or before the Qualification Deadline, each holder of a Special Warrant shall be entitled to receive, without payment of additional consideration, one-and-one tenth (1.10) Units per Special Warrant (in lieu of one Unit) and thereafter at the end of each additional 30 day period prior to the Qualification Date, each Special Warrant will be exercisable for an additional 0.02 of a Unit upon the exercise or deemed exercise of the Special Warrants. This Prospectus qualifies the distribution of any Additional Units upon the exercise or deemed exercise of the Special Warrants.

The Warrants are issuable pursuant to the Warrant Indenture. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of $0.60 per Warrant Share for a period of 36 months following the Closing Date, subject to acceleration of the expiry date in accordance with the terms of the Warrant Indenture.

Pursuant to the Agency Agreement, the Company paid to the Agents a cash fee equal to 8.0% of the gross proceeds of the Offering. As additional compensation, the Company also issued Compensation Options to the Agents. The Compensation Options entitle the Agents to purchase that number of Agents' Units as is equal to 8.0% of the total number of Special Warrants sold under the Offering, at an exercise price per Agents' Unit equal to the Offering Price for a period of 36 months from the Closing Date. If the Qualification Date does not occur on or before the Qualification Deadline, each Compensation Option that has not been exercised shall be exercisable to acquire one-and-one tenth (1.10) Agents' Units, and an additional 0.02 of an Agents' Unit for each additional 30 days thereafter prior to the Qualification Date. This Prospectus qualifies the distribution of the Agents' Units, including any additional Agents' Units, issued prior to April 3, 2021. The Company has agreed to reimburse the Agents for certain expenses related to the Offering. There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Agents in accordance with the terms of the Agency Agreement.

The CSE has approved the Offering, including the listing of the Underlying Shares, including the Unit Shares comprising the Agents' Units and the Warrant Shares issuable upon exercise of the Warrants comprising the Agents' Units. See "Plan of Distribution".

The Company has agreed that, during the period commencing on the Closing Date and ending 120 days after the Closing Date, it will not, directly or indirectly, without the prior written consent of the Agents, such consent not to be unreasonably withheld or delayed, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of the foregoing, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of the foregoing, any additional Common Shares, equity securities or debt securities or any securities convertible into or exchangeable for Common Shares, equity securities or debt securities, other than in conjunction with: (i) any equity securities which may be issued from time to time as agreed in employee compensation agreements, (ii) any existing option/warrant obligations, (iii) the grant of stock options and other similar issuances pursuant to the share incentive plan of the Company; (iv) in connection with acquisitions in normal course or other existing obligations, (v) the Offering, or (vi) the Non-Brokered Private Placement. Each of the Company's directors and senior officers have also agreed that, during the period commencing on the Closing Date and ending 120 days after the Closing Date, they will not, without the prior written consent of the Agents, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequence of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise any of their Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares except in certain limited

circumstances such as: transfers to affiliates; upon death; pursuant to a take-over bid or similar acquisition or merger; where there is no change in beneficial ownership; or the exercise of previously issued securities.

The Underlying Shares and Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, subject to certain exceptions, may not be offered or sold in the United States.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons (as such term is defined in the U.S. Securities Act). None of the Special Warrants, Underlying Shares and Warrants have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Company has agreed, pursuant to the Agency Agreement, to indemnify the Agents and their affiliates and directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Agents or their affiliates and against certain liabilities, including liabilities under Canadian securities legislation in certain circumstances or to contribute to payments the Agents may have to make because of such liabilities.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Description of Special Warrants

The Special Warrants are governed by the terms and conditions set forth in the Special Warrant Indenture. An aggregate of 5,889,735 Special Warrants are outstanding as of the date of this Prospectus. The material terms and conditions of the Special Warrants are summarized below:

- each of the Special Warrants entitles the holder thereof to acquire, for no additional consideration to the Company, one Unit for each Special Warrant, subject to adjustment as provided for in the Special Warrant Indenture;
- the Special Warrants will be deemed to be exercised on the Qualification Date;
- the Special Warrant Indenture provides for and contains provisions designed to keep the holders of the Special Warrants unaffected by the possible occurrence of certain corporate events, including the amalgamation, merger or corporate reorganization of the Company;
- the holders of Special Warrants do not have any right or interest whatsoever as shareholders of the Company, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceedings of the Company or any right to receive any dividend or other distribution;
- the rights of holders of Special Warrants may be modified by extraordinary resolution at a meeting of Special Warrant holders. The Special Warrant Indenture provides for meetings by holders of Special Warrants and the passing of resolutions and extraordinary resolutions by such holders which are binding on all holders of Special Warrants. Certain amendments to the Special Warrant Indenture may only be made by "extraordinary resolution", which is defined in the Special Warrant Indenture as a resolution proposed at a meeting of Special Warrant holders duly convened for that purpose at which there are present in person or by proxy Special Warrant holders holding at least 25% of the aggregate number of the then outstanding Special Warrants passed by the affirmative votes of Special Warrant holders holding not less than $66^2/_3$% of the aggregate number of the then outstanding Special Warrants represented at the meeting and voted on the poll upon such resolution;
- NSAL and the Company, without the consent of the holders of Special Warrants, may be able to amend or supplement the Special Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Special Warrant Indenture or in any deed or indenture supplemental or ancillary to the Special Warrant Indenture, provided that, in the opinion of

NSAL, relying on the opinion of legal counsel, the rights of the holders of Special Warrants, as a group, are not prejudiced thereby; and

- the Company has agreed to provide to the holders of the Special Warrants a contractual right of rescission. See "Contractual Rights of Rescission" below.

The foregoing is a summary description of certain material provisions of the Special Warrant Indenture, it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Special Warrant Indenture between the Company and NSAL, as Special Warrant Agent, a copy of which may be obtained on request without charge from the Company at its registered office or electronically on SEDAR at www.sedar.com.

Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company's board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

The Warrants will be governed by the terms of the Warrant Indenture. The following summary of certain provisions of the Warrant Indenture, does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which will be filed by the Company under its corporate profile on SEDAR. A register of holders will be maintained at the principal offices of NSAL in Vancouver, BC.

Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of $0.60 until 5:00 p.m. (Pacific time) on the date that is 36 months following the Closing Date.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable or exercisable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of warrants or options of the Company);

(ii) the subdivision, re-division or change of the Common Shares into a greater number of shares;

(iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange, exercise or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of Common Shares of (i) securities, including rights, options or warrants to acquire shares of any class or securities exchangeable, exercisable or convertible into any such shares or property or assets or (ii) any property or assets, including evidences of indebtedness.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or exchange or change of the Common Shares into other shares, or capital reorganization of the Company (other than as described in clauses (ii) or (iii) above), (b) consolidations, amalgamations, arrangements, mergers of the Company with or into another entity (other than a consolidation, amalgamation, arrangement, merger or other business combination which does not result in any reclassification of the Company's outstanding Common Shares or an exchange or change of the Common Shares into other shares), or (c) any sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company has also covenanted in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, not less than 14 days prior to such applicable record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Warrant Indenture provides that, from time to time, NSAL and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of NSAL, relying on the opinion of legal counsel, the rights of the holders of Warrants, as a group, are not prejudiced thereby.

The Warrant Indenture contains provisions making binding upon all holders of Warrants resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, and certain other amendments or other actions, will be subject to approval by an "Extraordinary Resolution", which is defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than $66^{2/3}$% of the aggregate number of Warrants represented at the meeting in person or by proxy and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than $66^{2/3}$% of the number of all of the then outstanding Warrants.

The principal transfer office of NSAL in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer.

PRIOR SALES

The following table summarizes details of the securities issued by the Company during the 12-month period prior to the date of this Prospectus.

Common Shares

Date of Issuance	Issuance of Common Shares Upon:	Number of securities issued	Issue/exercise price per
December 18, 2020	Asset acquisition	13,333,333	$0.75

December 4, 2020	Services	60,000	$0.79
October 5, 2020	Services	521,492	$1.06
September 4, 2020	Asset acquisition	18,217,239	$2.45
August 7, 2020	Private placement	358,232	$1.90
August 7, 2020	Services	258,333	$2.45
July 31, 2020	Private placement	358,493	$1.90
July 6, 2020	Services	31,250	US$1.60
March 31, 2020	Services	2,872	$2.50
January 29, 2020	Services	66,667	$1.20

Warrants

Date of Issuance	Issuance of Warrants upon	Number of securities issued	Issue/exercise price per security
September 4, 2020	Asset acquisition	252,595[(1)]	US$1.44
August 7, 2020	Private placement	201,221[(2)]	$2.30
July 31, 2020	Private placement	211,463[(3)]	$2.30

Special Warrants

Date of Issuance	Issuance of Special Warrants pursuant to:	Number of securities issued	Issue/exercise price per security
December 2, 2020	Private placement	5,889,735	$0.50

Compensation Options

Date of Issuance	Issuance of Compensation Options pursuant to:	Number of securities issued	Issue/exercise price per security
December 2, 2020	Private placement	471,178	$0.50

Stock Options

Date of Issuance	Issuance of Stock Options upon:	Number of securities issued	Issue/exercise price per security
December 9, 2020	Services	1,100,000	$0.77
September 4, 2020	Asset acquisition	79,302	US$2.47
September 4, 2020	Asset acquisition	31,096	$3.30
September 4, 2020	Asset acquisition	728,275	$3.09
September 4, 2020	Asset acquisition	18,207	$0.03
May 22, 2020	Services	20,000	$1.80
May 7, 2020	Services	210,000	$1.80
January 22, 2020	Services	10,000	$2.50

Notes:

(1) Issued upon the amalgamation between the Company, Altum Pharmaceuticals Inc. and 12167573 Canada Ltd., a fully-owned subsidiary of the Company, on August 31, 2020.

(2) 179,116 warrants were issued in connection with the private placement of 358,232 units of the Company, consisting of one common share and one half of one share purchase warrant, on August 7, 2020. 22,105 warrants were issued as agent's fee on this private placement.

(3) 179,247 warrants were issued in connection with the private placement of 358,493 units of the Company, consisting of one common share and one half of one share purchase warrant, on July 31, 2020. 32,216 warrants were issued as agent's fee on this private placement.

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the trading symbol "BETR". The following tables set forth information relating to the trading of the Common Shares on the CSE for the months indicated. On December 22, 2020, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was $1.57.

CSE Price Range ($)

Month	High	Low	Total Volume
December 2019	1.90	1.15	2,281,762
January 2020	1.50	0.70	3,152,905
February 2020	1.45	0.50	2,115,341
March 2020	1.05	0.40	1,737,857
April 2020	1.45	0.60	2,921,971
May, 2020	3.00	1.40	7,680,644
June 2020	2.19	1.30	838,596
July 2020	2.90	1.65	957,790
August, 2020	2.45	2.45	Nil
September, 2020	2.00	0.43	603,599
October 2020	1.10	0.62	1,010,595
November 2020	0.82	0.50	1,193,945
December 1-22, 2020	1.72	0.75	3,083,638

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled "Risk Factors" in the Annual Information Form, which is incorporated by reference in this Prospectus and which may be accessed on the Company's SEDAR profile at www.sedar.com, and the information contained in the section entitled "Cautionary Statement Regarding Forward-Looking Information". Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

Risks Related to the Business

The COVID-19 pandemic and related government responses could have a material and adverse effect on the Company's business, financial condition and results of operations.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. Our business and financial condition may be adversely impacted by the effects of COVID-19 and other infectious diseases.

The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health

crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect the ability to recruit patients into clinical trials, commodity prices, interest rates, credit ratings, credit risk and inflation.

The extent to which COVID-19 and other infectious diseases may impact the Company's business, operations, financial condition and the market for the Company's securities will depend on future developments and government responses, which are highly uncertain and cannot be predicted. These include the duration, severity and scope of the outbreak and the actions taken by governmental entities to address and mitigate the pandemic. The Company's business and operations could be adversely affected by the continued global spread of COVID-19 and any government actions to slow the spread of the infectious disease. Areas that may be impacted include, but without limitation, workforce productivity and health, disruptions to supply chains, limitations on travel and ability to successfully commercialize the Company's product portfolios and deliver end products to customers.

Given the uncertainty and lack of predictability surrounding COVID-19, the Company is not able to predict the length and severity of impact to its business and operations as it depends upon future developments which cannot be predicted, and includes, among other matters, the duration of the outbreak, the severity of the virus and the ability to treat it, the ability to collect sufficient data to track the virus and the collective actions taken to curb the spread of the virus.. As a result, risks associated with COVID-19 may impact key estimates and assumptions used in the Company's consolidated financial statements.

The continued spread of the virus could have a material adverse effect on the economies of the countries in which the Company operates. The continued adverse effects of the spread of COVID-19 if not contained, could have a material adverse effect on the Company's business, operations and financial condition.

There is substantial doubt as to whether the Company will continue operations. If the Company discontinues operations, you could lose your investment.

The Company's financial statements have been prepared on the going concern basis, which assumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. However, as at January 31, 2020, the Company has not earned any revenues and had an accumulated deficit of $54,660,516. The Company anticipates that it will incur increased expenses and there is a risk it will not realize sufficient revenues to offset those expenses. Its ability to continue operations is dependent on obtaining additional financing and generating future revenues, and no assurance can be given that it will successfully be able to do so. Accordingly, the Company's financial statements contain disclosure of management's determination that these factors raise substantial doubt about its ability to continue as a going concern. Importantly, the inclusion in its financial statements of a going concern opinion may negatively impact its ability to raise future financing and achieve future revenue. The threat of the Company's ability to continue as a going concern will be removed only when, in the opinion of its auditor, its revenues have reached a level that is able to sustain business operations.

If the Company is unable to obtain additional financing from outside sources and eventually generate enough revenues, it may be forced to sell a portion or all of its assets, or curtail or discontinue operations. If any of these happens, you could lose all or part of your investment. The Company's financial statements do not include any adjustments to its recorded assets or liabilities that might be necessary if it becomes unable to continue as a going concern.

The Company has incurred operating losses in each year since inception and may continue to incur substantial and increasing losses for the foreseeable future. It also has negative capital cash flows from operating activities. If the Company cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, it may suspend or cease operations.

The Company has not generated any revenue since inception on June 10, 2002 and it has incurred operating and net losses in each year of existence. The Company experienced a net loss of $19,588,762 for the year ended January 31, 2020, compared to a net loss of $9,254,790 for the year ended January 31, 2019. It expects to incur substantial and increasing losses for the foreseeable future as it researches, develops and commercializes its products. If its products do not achieve commercialization and/or market acceptance, it may never generate any revenue. The Company also cannot assure you that it will be profitable even if it successfully commercializes its products. If it fails to generate

sufficient revenues to operate profitability, or if it is unable to fund its continuing losses, you could lose all or part of your investment.

During the fiscal year ended January 31, 2020 and the nine-month period ended October 31, 2020, the Company had negative cash flow from operating activities. As at October 31, 2020, the Company's cash and net working capital deficiency balances (adjusted for amounts which cannot be converted to cash) were approximately $518,000 and $6,113,000, respectively. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities, if any. If the Company experiences future negative cash flow, the Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Company.

The Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available it may need to significantly curtail or cease operations.

The Company will require substantial funds to develop, manufacture and market its products. If it does not raise sufficient funds, its plan of operation will be delayed until such time as it raises sufficient funds, provided it is able to do so. Further, the cost of carrying out its operating activities and development activities is not fixed, and its cash levels may at any time prove to be insufficient to finance them. The Company's financing needs may change substantially because a number of factors which are difficult to predict or which may be outside of its control. These include increased competition, the costs of licensing existing drugs and protecting rights to its proprietary technology and the time required to obtain required licenses.

It may not succeed in raising the additional funds that it require because such funds may not be available to it on acceptable terms, if at all. The Company intends to seek additional funding through strategic alliances or through public or private sales of its equity securities, and it may also obtain equipment leases and pursue opportunities to obtain debt financing in the future. If the Company is unable to obtain sufficient funding on a timely basis, it may be forced to significantly curtail or cease operations.

The Company's inability to complete its development projects in a timely manner could have a material adverse effect of its results of operations, financial condition and cash flows.

If the Company's projects are not completed in a timely fashion, it could experience:

- additional competition in the industry for our products; and
- delay in obtaining future inflow of cash from financial or partnership activities, any of which could have a material adverse effect of its results of operations, financial condition and cash flows.

Any products that it may develop as a pharmaceutical product will be subject to extensive governmental regulations relating to development activities, conduct of clinical trials, manufacturing and commercialization. In the United States, for example, the prospective products that the Company intends to develop and market are regulated by the United States Food and Drug Administration ("**FDA**") under its new drug development and review process. Before such products can be marketed, it must obtain clearance from the FDA by submitting an investigational new drug application, then by successfully completing human testing under three phases of clinical trials, and finally by submitting a new drug application.

The time required to obtain approvals for its prospective products from the FDA and other agencies in foreign locales with similar processes is unpredictable. The Company expects to be able to accelerate the approval process and to increase the chances of approval by using existing and approved drugs as the basis for its own technology. However, it cannot guarantee that its expectations will be realized, and there is no assurance that it will ever receive regulatory approval to use its proprietary substances, methods and processes. If the Company does not obtain such regulatory approval, it may never become profitable.

The Company may not commence clinical testing for any of its prospective pharmaceutical products and the commercial value of any clinical study that it may conduct will depend significantly upon its choice of indication and

its patient population selection. If it is unable to commence clinical testing or if it makes a poor choice in terms of clinical strategy, it may never achieve revenues.

In order to commence clinical testing, the Company must successfully complete and obtain positive scientific results from pre-clinical studies and, in the case of an existing drug that it is re-profiling for a new indication, adopt existing pre-clinical or early stage clinical studies to its own research. If it successfully completes any clinical study of its own, the commercial value of any such study will significantly depend upon our choice of indication and its patient population selection for that indication. There is no assurance that the Company will complete any clinical study for any of it product candidates.

The Company will rely on third parties to conduct its research, development and manufacturing activities. If these third parties do not perform as contractually required, fail to meet its manufacturing requirements and applicable regulatory requirements or otherwise expected, it may not be able to commercialize its products, which may prevent it from becoming profitable.

The Company will rely on contract manufacturers as source suppliers for its products.

Because of its planned reliance on contract manufacturers, the Company may also be exposed to additional risks, including those related to intellectual property and the failure of such manufacturers to comply with strictly-enforced regulatory requirements, manufacture components to its specifications, or deliver sufficient component quantities to it in a timely manner. For example, a contract manufacturer working on the Company's behalf may violate the intellectual property rights of a third party in manufacturing a component of one of its products, and if such a violation occurs without the Company's knowledge, it may be held vicariously liable for the acts of its contractor, incur related costs and court mandated damages, or become enjoined from selling products which violate those third-party intellectual property rights. Similarly, if a contract manufacturer working on the Company's behalf is found to be in violation of FDA or other national regulatory standards regarding the manufacture, packaging or labeling of any of its products, the Company could face any number of adverse consequences including costly regulatory investigations and fines, interruptions in the flow of its products or materials, product recalls, or liability to consumers regarding any of its products that do not meet such regulatory requirements. If any of these events occurs, if the Company's relationship with any of its potential contract manufacturers terminates, or if any such manufacturer is unable fulfill its obligations to the Company for any reason, its product development and commercialization efforts could suffer and it may never realize a profit.

If the Company is unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, it may not be successful in commercializing its product candidates.

In order to successfully commercialize any of its product candidates, the Company must either develop a satisfactory sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these services for it. The Company will require substantial resources to create such an infrastructure, and it may never possess the resources to do so. For example, it may be unable to recruit and retain an adequate number of effective sales and marketing personnel or it may incur unforeseen costs and expenses in connection with developing the necessary infrastructure.

Although the Company plans to develop its own sales and marketing organizations in some markets, it intends to enter into partnering, co-promotion and other distribution arrangements to commercialize its products in most markets. The Company may not be able to enter into collaborations on acceptable terms, if at all, and it may face competition in its search for partners with whom it may collaborate. If the Company is not able to build a satisfactory sales, marketing and distribution infrastructure or collaborate with one or more partners to perform these functions, it may not be able to successfully commercialize its product candidates, which could cause it to cease operations.

The Company's product candidates may never gain market acceptance, which could prevent it from generating revenues.

The success of the Company's products will depend on their acceptance by customers and the public, among other things. Market acceptance of, and demand for, any product that it develops and commercializes will depend on many factors, including:

- the Company's ability to provide acceptable evidence of safety and efficacy;

- the effectiveness of its or its collaborators' sales, marketing and distribution strategy; and
- publicity concerning its products or competing products.

If the Company's product candidates fail to gain market acceptance, it may be unable to generate sufficient revenue to continue business.

The Company faces potential product liability exposure, and any claim brought against it may cause it to divert resources from normal operations or terminate selling, distributing and marketing any of its products. This may cause the Company to cease operations as it relates to that product.

The sale of any of the Company's products may expose it to product liability claims from consumers. Although the Company plans to obtain product liability insurance coverage with limits that it hopes will be customary and adequate to provide it with coverage for foreseeable risks, its insurance coverage may be insufficient to reimburse it for the actual expenses or losses it may suffer.

Even if the Company is able to successfully defend itself against any potential claims, it will likely incur substantial costs in the form of unanticipated expenses and negative publicity. This could result in decreased demand for its products, an impaired business reputation, revenue loss or an inability to continue commercializing its products. Any of these consequences could cause is to cease operations.

The manufacturing of all of the Company's products will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent it from achieving its goals or becoming profitable.

The Company's products, third-party manufacturing facilities and processes and advertising and promotional activities will be subject to significant review and ongoing and changing regulation by various regulatory agencies. The Company's failure to comply with any regulatory requirements may subject it to administrative and judicial sanctions, which may include warning letters, civil and criminal penalties, injunctions, product seizures or detention, product recalls, total or partial suspension of production, or the denial of pending product marketing applications.

Regulatory or enforcement actions could adversely affect the Company's ability to develop, market and sell its products successfully and harm its reputation, which could lead to reduced market demand for such products. Consequently, the costs associated with any such action could cause the Company's business to suffer and prevent it from achieving its goals or becoming profitable.

Since certain of the Company's directors are located outside of Canada, you may be limited in your ability to enforce Canadian civil actions against them for damages to the value of your investment.

As certain of the Company's directors and officers are located outside of Canada, you may be limited in your ability to enforce Canadian civil actions against them for damages to the value of your investment.

The Company plans to indemnify its directors and officers against liability to the Company and its security holders, and such indemnification could increase operating costs.

The Company's Articles allow it to indemnify its directors and officers against claims associated with carrying out the duties of their offices. The Company's Articles also allow it to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under relevant securities legislation may be permitted to its directors, officers or control persons, certain securities regulations may deem that such indemnification is against public policy and is therefore unenforceable in that jurisdiction.

Since the Company's officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase operating costs. Further, if the Company's officers and directors file a claim against it for indemnification, the associated expenses could also increase operating costs.

The Company has no sources of product revenue and it will not be able to maintain operations and research and development without sufficient funding.

The Company has no sources of product revenue and cannot predict when or if it will generate product revenue. The Company's ability to generate product revenue and ultimately become profitable depends upon its ability, alone or with partners, to successfully develop its product candidates, obtain regulatory approval, and commercialize products, including any of the current product candidates, or other product candidates that may be developed, in-licensed or acquired in the future. It does not anticipate generating revenue from the sale of products for the foreseeable future. The Company expects research and development expenses to increase in connection with ongoing activities, particularly as drug candidates are advanced towards clinical trials.

The Company is highly dependent upon certain key personnel and their loss could adversely affect the Company's ability to achieve its business objectives.

The loss of Dr. Ahmad Doroudian, Chief Executive Officer, or other key members of the scientific and operating staff could harm the Company. Employment agreements exist with Mr. Doroudian and other staff although such employment agreements do not guarantee their retention. The Company also depends on scientific, manufacturing and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability. 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, clinical, manufacturing and regulatory personnel. Agreements have been entered into with scientific, manufacturing and preclinical and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of business as well as with physicians and institutions. Notwithstanding these arrangements, there is significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The loss of the services of any of the executive officers or other key personnel could potentially harm the Company's business, operating results or financial condition.

If the Company breaches any of the agreements under which it licenses rights to product candidates or technology from third parties, it can lose license rights that are important to its business. The Company's current license agreements may not provide an adequate remedy for breach by the licensor.

The Company is subject to a number of risks associated with its collaboration with the licensors, including the risk that the licensors may terminate the license agreement upon the occurrence of certain specified events. If the Company fails to comply with any obligations in its license agreements or otherwise breach this or similar agreements, the licensors or any future licensors may have the right to terminate the licenses in whole. the Company can also suffer the consequences of non-compliance or breaches by licensors in connection with license agreements. Such non-compliance or breaches by such third parties can in turn result in breaches or defaults under the Company's agreements with other collaboration partners, and the Company can be found liable for damages or lose certain rights, including rights to develop and/or commercialize a product or product candidate. Loss of the Company's rights to licensed intellectual property or any similar license granted to it in the future, or the exclusivity rights provided therein, can harm its financial condition and operating results.

Preclinical and clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results and the Company's product candidates may not have favorable results in later trials or in the commercial setting.

Preclinical and clinical testing is expensive and can take many years to complete, and the outcome is inherently uncertain. Failure can occur at any time during the preclinical testing and clinical trial process. The results of preclinical studies and early clinical trials may not be predictive of the results of later-stage clinical trials. Success in preclinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful, nor does it predict final results. Favorable results in early trials may not be repeated in later trials. There is no assurance the FDA, European Medicines Agency ("**EMA**") or other similar government bodies will view the results as the Company does or that any future trials of its proposed products for other indications will achieve positive results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials.

The Company will be required to demonstrate through larger-scale clinical trials that any potential future product is safe and effective for use in a diverse population before it can seek regulatory approvals for commercial sale of its products. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through preclinical studies and clinical and post-approval trials. If the Company's drug candidates fail to demonstrate

sufficient safety and efficacy in ongoing or future preclinical studies and clinical trials, its operations and financial condition will be adversely impacted.

If the Company is unable to enroll subjects in clinical trials, it will be unable to complete these trials on a timely basis.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the patient population, the proximity of subjects to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, ability to obtain and maintain patient consents, risk that enrolled subjects will drop out before completion, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating. Furthermore, the Company relies on CROs and clinical trial sites to ensure the proper and timely conduct of its clinical trials, and while the Company has agreements governing committed activities, it has limited influence over their actual performance.

If the Company experiences delays in the completion or termination of any clinical trial of its proposed products or any future product candidates, the commercial prospects of its product candidates will be harmed and its ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing clinical trials will increase costs, slow down product candidate development and approval process and can shorten any periods during which the Company may have the exclusive right to commercialize its product candidates or allow its competitors to bring products to market before it does. Delays can further jeopardize the Company's ability to commence product sales, which will impair its ability to generate revenues and may harm the business, results of operations, financial condition and cash flows and future prospects. In addition, many of the factors that can cause a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of its proposed products or its future product candidates.

If the Company's competitors develop and market products that are more effective than the Company's existing product candidates or any products that it may develop, or obtain marketing approval before the Company does, the Company's products may be rendered obsolete or uncompetitive.

Technological competition from pharmaceutical companies, biotechnology companies and universities is intense and is expected to increase. Many of the Company's competitors and potential competitors have substantially greater product development capabilities and financial, scientific, marketing and human resources than the Company does. The Company's future success depends in part on its ability to maintain a competitive position, including the ability to further progress its portfolio candidates through the necessary preclinical and clinical trials towards regulatory approval for sale and commercialization. Other companies may succeed in commercializing products earlier than the Company is able to commercialize its products or they may succeed in developing products that are more effective. While the Company will seek to expand its technological capabilities in order to remain competitive, there can be no assurance that developments by others will not render its products non-competitive or that the Company or its licensors will be able to keep pace with technological developments. Competitors have developed or could develop technologies that could be the basis for competitive products. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than the Company's products and may be more effective or less costly than the Company's products. In addition, other forms of medical treatment may offer competition to the Company's products. The success of the Company's competitors and their products and technologies relative to the Company's technological capabilities and competitiveness could have a material adverse effect on the future preclinical and clinical trials of the Company's products, including its ability to obtain the necessary regulatory approvals for the conduct of such trials.

The Company relies on contract manufacturers over whom it has limited control. If the Company is subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, its business operations could suffer significant harm.

The Company has limited manufacturing experience and relies on contract development and manufacturing organizations ("**CDMO**"), to manufacture its drug candidates for preclinical development and clinical trials. It relies on CDMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with cGMP regulations, enforced by the FDA, applicable to its products. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs

contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. There can be no assurances that the CDMOs selected will be able to meet future timetables and requirements. If the Company is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, it may delay the development of its product candidates. Furthermore, contract manufacturers must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. The Company's dependence upon third parties for the manufacturing of its products may adversely affect profit margins and its ability to develop and deliver products on a timely and competitive basis.

The Company's future success is dependent primarily on the regulatory approval of a single product.

The Company does not have any products that have gained regulatory approval. As a result, its near-term prospects, including its ability to finance operations and generate revenue, are substantially dependent on the Company's ability to obtain regulatory approval for, and, if approved, to successfully commercialize its drug candidates in a timely manner. The Company cannot commercialize its product candidates in the U.S. without first obtaining regulatory approval for the product from the FDA; similarly, it cannot commercialize its product candidates outside of the U.S. without obtaining regulatory approval from comparable foreign regulatory authorities. Although not within the Company's control, a governmental shutdown could result in significant delays in obtaining the necessary approvals and there can be no assurance regulatory approval will be granted. Before obtaining regulatory approvals for the commercial sale of its product candidates for a target indication, the Company must demonstrate with substantial evidence gathered in preclinical and clinical studies to the satisfaction of the relevant regulatory authorities, that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate. Many of these factors are beyond the Company's control. If the Company, or its potential commercialization collaborators, are unable to successfully commercialize its drug candidates, the Company may not be able to earn sufficient revenues to continue its business.

The Company will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates.

Securing final regulatory approval for the manufacture and sale of human therapeutic products in the U.S., Canada and other markets is a long and costly process that is controlled by that particular country's national regulatory agency. Approval in the U.S., Canada, or Europe does not assure approval by other national regulatory agencies, although often test results from one country may be used in applications for regulatory approval in another country. Other national regulatory agencies have similar regulatory approval processes, but each is different. Prior to obtaining final regulatory approval to market a drug product, every national regulatory agency has a variety of statutes and regulations which govern the principal development activities. These laws require controlled research and testing of products, government review and approval of a submission containing preclinical and clinical data establishing the safety and efficacy of the product for each use sought, approval of manufacturing facilities, including adherence to cGMP during production and storage, and control of marketing activities, including advertising and labelling. There can be no assurance that the Company's drug candidates will be successfully commercialized in any given country. There can be no assurance that the Company's licensed products will prove to be safe and effective in clinical trials under the standards of the regulations in the various jurisdictions or receive applicable regulatory approvals from applicable regulatory bodies.

The Company's products may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices or healthcare reform initiatives, thereby having an adverse effect on its business.

Many countries require approval of the sale price of a drug before it can be marketed. In most cases, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. Although the Company intends to monitor these regulations, its programs are currently in the early stages of development and it will not be able to assess the impact of price regulations for a number of years. As a result, regulatory approval for a product in a particular country may be obtained, but then be subject to price regulations that delay commercial launch of the product and negatively impact the revenues from the sale of the product in that country.

The Company's ability to commercialize any products successfully will also depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government

health administration authorities, private health insurers and other third-party payors. Additionally, in the U.S., no uniform policy of coverage and reimbursement for products exists among third-party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. In many jurisdictions, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. Obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require the Company to provide to the payor supporting scientific, clinical and cost-effectiveness data for the use of its products. Delay in obtaining or providing of this data may delay or suspend reimbursement approval, negatively impacting the revenues from the sale of the product.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products may have an adverse impact on future commercialization efforts.

From time to time, studies or clinical trials on various aspects of pharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the pharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to the Company's product candidates, the intended therapeutic target or the therapeutic areas in which the Company's product candidates compete, could adversely affect the ability to finance future development of its product candidates, and the business and financial results could be materially and adversely affected.

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

In human trials, the Company will be exposed to the risk of product liability claims alleging that use of its product candidates cause an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of product candidates and may be made directly by patients involved in clinical trials of product candidates, by consumers or healthcare providers or by individuals, or organizations or companies selling the 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 candidate moves through the development pipeline to commercialization. There can be no assurance that the Company's insurance coverage is or will continue to be adequate or available at a cost acceptable to it or at all. The Company may choose or find it necessary under its collaborative agreements to increase the insurance coverage in the future but 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 the coverage, require payment of a substantial monetary award from the Company's cash resources and have a material adverse effect on the business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about the products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations. The Company may not achieve its publicly announced milestones according to schedule, or at all.

From time to time, the Company may announce the timing of certain events expected to occur, such as the anticipated timing of results from clinical trials. These statements are forward-looking and are based on the Company's best estimates 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. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the availability of financing, the ability to recruit patients in a clinical trial in a timely manner, the nature of results obtained during a clinical trial or during a research phase, problems with a CDMO or a contract research organization ("**CRO**"), or any other event having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information, 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 the Company's business plan, financial condition or operating results.

Changes in government regulations, although beyond the Company's control, could have an adverse effect on its

business.

The Company depends upon the validity of its licenses and access to the data for the timely completion of clinical research. Any changes in the drug development regulatory environment or shifts in political attitudes of a government are beyond its control and may adversely affect its business. The Company's business may also be affected in varying degrees by such factors as government regulations with respect to intellectual property, regulation or export controls. Such changes remain beyond its control and the effect of any such changes cannot be predicted. These factors could have a material adverse effect on the Company's ability to further develop its product candidates.

The Company's discovery and development processes may involve the use of companion diagnostics or biomarkers.

If the Company is unable to successfully develop companion diagnostics or biomarkers for its therapeutic product candidates, or experience significant delays in doing so, it may not achieve marketing approval or realize the full commercial potential of its therapeutic product candidates.

The Company may develop companion diagnostics or biomarkers for its therapeutic product candidates. It is expected that, at least in some cases, regulatory authorities may require the development and regulatory approval of a companion diagnostic or biomarkers as a condition to approving a therapeutic product candidate. The Company has limited experience and capabilities in developing or commercializing diagnostics or biomarkers and plan to rely in large part on third parties to perform these functions. The Company does not currently have any agreement in place with any third party to develop or commercialize companion diagnostics or biomarkers for any of its therapeutic product candidates.

Companion diagnostics or biomarkers are subject to regulation by the FDA, Health Canada and comparable foreign regulatory authorities and may require separate regulatory approval or clearance prior to commercialization. If the Company, or any third parties that it engages to assist, are unable to successfully develop companion diagnostics or biomarkers for the Company's therapeutic product candidates, or experience delays in doing so, the Company's business may be substantially harmed.

Significant disruption in availability of key components for ongoing preclinical and clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates.

The Company relies on third parties to supply ingredients and excipients for the manufacture and formulation of its drug candidates. Each of the suppliers of these components in turn need to comply with regulatory requirements. Any significant disruption in supplier relationships could harm the Company's business. Any significant delay in the supply of a component, for a potential ongoing clinical study could considerably delay initiation and completion of potential clinical trials, product testing and regulatory approval of potential product candidates. If the Company or its suppliers are unable to purchase these components after regulatory approval has been obtained for the product candidates, or the suppliers decide not to manufacture these components or provide support for any of the components, clinical trials or the commercial launch of that product candidate would be delayed or there would be a shortage in supply, which would impair the Company's ability to generate revenues from the sale of the product candidates.

The Company's products or technologies may need to be used in connection with third-party technologies or products.

It is not uncommon that drugs are used in combination with other drugs, devices, or therapies. Should this be the case for the Company's technology it could have an impact on future drug development and commercialization efforts.

The Company could be adversely impacted by unauthorized actions or the distribution of inaccurate information.

The Company faces the risk that parties take unauthorized actions that negatively impact it. This includes the risk of rumours or distribution of inaccurate information on unregulated online blogs, bulletin boards, and social media, as well as the risk that individuals or organizations access and use the Company's technology without authorization or consent and in ways that are not yet understood and/or approved, resulting in negative consequences to the Company's reputation and/or perception of the technology.

The Company may pursue other business opportunities in order to develop its business and/or products.

From time to time, the Company may pursue opportunities for further research and development of other products. The Company's success in these activities will depend on its ability to identify suitable technical experts, market needs, and effectively execute any such research and development opportunities. Any research and development would be accompanied by risks as a result of the use of business efforts and funds. In the event that the Company chooses to raise debt capital to finance any such research or development opportunities, its leverage will be increased. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with any research or development opportunities.

Generally, a litigation risk exists for any company that may compromise its ability to conduct the Company's business.

All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company's success depends on its ability to effectively manage its growth.

The Company may be subject to growth-related risks, including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve operational and financial systems and to expand, train and manage its employee base. Inability to deal with this growth could have a material adverse impact on its business, operations and prospects. The Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for its personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support its operations or that it will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

It may be difficult for non-Canadian investors to obtain and enforce judgments against the Company because of its Canadian incorporation and presence.

The Company is a corporation existing under the laws of Canada. Several of its directors and officers, and several of the experts are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of the Company's assets, are located outside the U.S. Consequently, it may be difficult for holders of the Company's securities who reside in the U.S. to effect service within the U.S. upon those directors and officers, and the experts who are not residents of the U.S. It may also be difficult for holders of the Company's securities who reside in the U.S. to realize in the U.S. upon judgments of courts of the U.S. predicated upon the Company's civil liability and the civil liability of its directors, officers and experts under the U.S. federal securities laws. Investors should not assume that Canadian courts would (i) enforce judgments of U.S. courts obtained in actions against the Company or such directors, officers or experts predicated upon the civil liability provisions of the U.S. federal securities laws or the securities or "blue sky" laws of any state or jurisdiction of the U.S. or (ii) enforce, in original actions, liabilities against the Company or such directors, officers or experts predicated upon the U.S. federal securities laws or any securities or "blue sky" laws of any state or jurisdiction of the U.S.. In addition, the protections afforded by Canadian securities laws may not be available to investors in the U.S.

Significant disruptions of information technology systems or security breaches could adversely affect the Company's business.

The Company is dependent upon information technology systems, infrastructure and data to operate its business. In the ordinary course of business, the Company collects, stores and transmits confidential information (including, among other things, trade secrets or other intellectual property, proprietary business information and personal information). It is critical that the Company does so in a secure manner to maintain the confidentiality and integrity of such confidential information. The Company also has outsourced elements of its operations to third parties, and as a

result it manages a number of third-party vendors who may or could have access to its confidential information. The size and complexity of its information technology systems, and those of third-party vendors with whom the Company contracts, and the amount of confidential information stored on those systems, make such systems vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by employees, third-party vendors, and/or business partners, or from cyberattacks by malicious third parties. Cyberattacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information.

Return on Investment is not Guaranteed.

There is no guarantee that an investment in the securities described herein will provide any positive return in the short term or long term. An investment in the securities of the Company is speculative and involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company described herein is appropriate only for holders who have the capacity to absorb a loss of some or all of their investment.

Discretion in the Use of Proceeds from the Offering.

The Company intends to use the net proceeds from this Offering as set forth under "Use of Proceeds"; however, the Company maintains broad discretion concerning the use of the net proceeds from the Offering, as well as the timing of its expenditures in ways that it deems most efficient, and there can be no assurance as to how the funds will be allocated, especially if the Company determines to revise its business plan and growth strategy. The application of the proceeds to various items may not necessarily enhance the value of the Units. The failure to apply the net proceeds as set forth under "Use of Proceeds" and other financings could adversely affect the Company's business and, consequently, could adversely affect the price of the Units on the open market.

Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Board. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the net proceeds of the Offering. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's business, prospects, financial condition and results of operations may suffer, which could have material and adverse effect on the trading price of the Common Shares and the Warrants in the market

Risks Related to the Company's Securities

Trading on the CSE and the OTC Bulletin Board may be volatile and sporadic, which could depress the market price of the Company's common stock and make it difficult for its stockholders to resell their shares.

The Company's common shares are traded on the CSE and is quoted on the OTCQB service of the Financial Industry Regulatory Authority. Trading in stock listed on the CSE or quoted on the OTC Bulletin Board is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with the Company's operations or business prospects. This volatility could depress the market price of the Company's common stock for reasons unrelated to operating performance. Moreover, the OTC Bulletin Board is not a stock exchange, and trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of their shares.

The Company's stock is a penny stock. Trading of the Company's stock may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a stockholder's ability to buy and sell the Company's stock.

The Company's stock is a penny stock. The Securities and Exchange Commission in the United States (the "SEC") has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. The Company's securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess

of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade the Company's securities. The Company believes that the penny stock rules discourage investor interest in, and limit the marketability of, its common stock.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the Financial Industry Regulatory Authority believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The Financial Industry Regulatory Authority requirements make it more difficult for broker-dealers to recommend that their customers buy the Company's common stock, which may limit your ability to buy and sell the Company's stock.

You will experience dilution or subordinated stockholder rights, privileges and preferences as a result of the Company's financing efforts.

The Company must raise additional capital from external sources to carry out its business plan over the next two years. To do so, it may issue debt securities, equity securities or a combination of these securities; however, the Company may not be able to sell these securities, particularly under current market conditions. Even if the Company is successful in finding buyers for its securities, such buyers could demand high interest rates or require the Company to agree to onerous operating covenants, which could in turn harm its ability to operate its business by reducing its cash flow and restricting its operating activities. If the Company chooses to sell shares of its common stock, this will result in dilution to its existing stockholders. In addition, any shares of common stock it may issue may have rights, privileges and preferences superior to those of its current stockholders.

The Company does not intend to pay dividends and there will thus be fewer ways in which you are able to make a gain on your investment, if at all.

The Company has never paid dividends and does not intend to pay any dividends for the foreseeable future and it currently intends to retain future earnings, if any, to fund the development and growth of the business.. To the extent that the Company may require additional funding currently not provided for in its financing plan, its funding sources may prohibit the declaration of dividends. Because the Company does not intend to pay dividends, any gain on your investment will need to result from an appreciation in the price of its common stock. There will therefore be fewer ways in which you are able to make a gain on your investment, if at all. There is also no guarantee that your investment will appreciate.

Market Price of Common Shares.

The trading prices of CSE-listed companies and companies quoted on the OTC have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada, North America and globally, and market perceptions of the attractiveness of particular industries. The trading price of the Common Shares is also likely to be significantly affected by changes from time to time in the Company's operating results, financial condition, liquidity and other internal factors.

No Market for Warrants.

There is currently no market through which the Warrants may be sold. Accordingly, the purchasers may not be able to resell the Warrants qualified under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation.

Holders of Special Warrants and Warrants Have no Rights as a Shareholder.

Until a holder of Special Warrants or Warrants acquires Unit Shares upon the conversion of the Special Warrants or Warrant Shares upon the due exercise of the Warrants, such holder will have no rights with respect to the Unit Shares underlying such Special Warrants or Warrant Shares underlying such Warrants. Upon due exercise of such Special Warrants or Warrants, such holder will be entitled to exercise the rights of a holder of Common Shares only as to matters for which the record date occurs after the exercise date.

The price of the Company Shares may be subject to fluctuation in the future based on market conditions.

The market prices for the securities of biotechnology companies, including the Company's, have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of any particular company. In addition, because of the nature of the Company's business, certain factors, such as its announcements, competition from new therapeutic products or technological innovations, government regulations, fluctuations in operating results, results of clinical trials, public concern regarding the safety of drugs generally, general market conditions and developments in patent and proprietary rights, can have an adverse impact on the market price of the Company Shares. Any negative change in the public's perception of the Company's prospects could cause the price of the Company Shares to decrease dramatically.

Furthermore, any negative change in the public's perception of the prospects of biotechnology companies in general or the market in general could depress share price regardless of the Company's results. Volatility or depression in the capital markets, particularly with respect to biotechnology stocks, could also affect the Company's ability to raise additional capital.

Risks Related to the Company's Intellectual Property

If the Company is unable to maintain and enforce its proprietary intellectual property rights, it may not be able to operate profitably.

The Company's commercial success will depend, in part, on obtaining and maintaining patent protection, trade secret protection and regulatory protection of its technologies and patents as well as successfully defending third-party challenges to such technologies and patents. The Company will be able to protect its technologies and patents from use by third parties only to the extent that valid and enforceable patents, trade secrets or regulatory protection cover them and it has exclusive rights to use them. The ability of the Company's licensors, collaborators and suppliers to maintain their patent rights against third-party challenges to their validity, scope or enforceability will also play an important role in determining its future.

In addition, the Company's commercial success will depend, in part, on maintaining patent rights it has licensed and plans to license in the future, related to products it may market in the future. Since the Company will not fully control the patent prosecution of any licensed patent applications, it is possible that its licensors will not devote the same resources or attention to the prosecution of the licensed patent applications as it would if the Company controlled the prosecution of the applications ourselves. Consequently, the resulting patent protection, if any, may not be as strong or comprehensive as it would be had the Company done so.

The patent positions of biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions that include unresolved principles and issues. No consistent policy regarding the breadth of claims allowed regarding such companies' patents has emerged to date in the United States, and the patent situation outside the United States is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of the Company's intellectual property. Accordingly, it cannot predict with any certainty the range of claims that may be allowed or enforced concerning its patents or third-party patents.

The Company also relies on trade secrets to protect its technologies, especially where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. While the Company seeks to protect confidential information, in part, through confidentiality agreements with its consultants and scientific and other advisors, they may unintentionally or willfully disclose the Company's information to competitors. Enforcing a claim against a third party related to the illegal acquisition and use of trade secrets can be expensive and time consuming, and the outcome is often unpredictable. If the Company is not able to maintain patent or trade secret protection on its technologies and product candidates, then it may not be able to exclude competitors from developing or marketing competing products, and it may not be able to operate profitability.

If the Company is the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause it to go out of business.

There has been, and the Company believes that there will continue to be, significant litigation and demands for licenses in its industry regarding patent and other intellectual property rights. Although the Company anticipates having a valid defense to any allegation that its current product candidates, production methods and other activities infringe the valid and enforceable intellectual property rights of any third parties, it cannot be certain that a third party will not challenge its position in the future. Other parties may own patent rights that it might infringe with its products or other activities, and the Company's competitors or other patent holders may assert that its products and the methods it employs are covered by their patents. These parties could bring claims against the Company that would cause it to incur substantial litigation expenses and, if successful, may require it to pay substantial damages. Some of the Company's potential competitors may be better able to sustain the costs of complex patent litigation, and depending on the circumstances, it could be forced to stop or delay research, development, manufacturing or sales activities. Any of these costs could cause the Company to go out of business.

The Company may in the future be required to license patent rights from third-party owners in order to develop its products candidates. If it cannot obtain those licenses or if third-party owners do not properly maintain or enforce the patents underlying such licenses, the Company may not be able to market or sell its planned products.

The Company has licensed patent-protected technologies with certain parties and it may also license other intellectual property from other third parties, if it believes it is necessary or useful to use additional third-party intellectual property to develop its products. Typically, the Company would seek to negotiate and obtain any required third party licenses immediately following the completion of preliminary research to establish a concept and plan of development for a new product candidate. The Company will also be required to pay license fees, certain milestones or royalties or both to obtain such licenses, and there is no guarantee that such licenses will be available on acceptable terms, if at all. Even if the Company is able to successfully obtain a license, certain rights may be non- or co-exclusive, and this would give its competitors access to some of the intellectual property as it, which could ultimately prevent it from commercializing a product.

Upon obtaining a license, the Company's business prospects will depend, in part, on the ability of its licensors to obtain, maintain and enforce patent protection on its licensed intellectual property. The Company's licensors may terminate its license, may not pursue and successfully prosecute any potential patent infringement claim, may fail to maintain their patent applications, or may pursue any litigation less aggressively than the Company would. Without protection for the intellectual property that it licenses, other companies may be able to offer substantially similar products for sale, and the Company may not be able to market or sell its planned products or generate any revenues.

The Company's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them.

Because the Company relies on third parties to conduct research and develop its products, the Company must share trade secrets with them. The Company seeks to protect its proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of the Company's collaborators, advisors, employees and consultants to publish data potentially relating to its trade secrets. The Company's academic collaborators typically have rights to publish data, provided that the Company is notified in advance and may delay publication for a specified period of time in order to secure its intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by the Company, although

in some cases the Company may share these rights with other parties. The Company also conducts joint research and development programs which may require it to share trade secrets under the terms of research and development collaboration or similar agreements. Despite its efforts to protect its trade secrets, the Company's competitors may discover its trade secrets, either through breach of these agreements, independent development or publication of information including its trade secrets in cases where it does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Company's trade secrets may impair its competitive position and could have a material adverse effect on the Company's business and financial condition.

AUDITORS, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The auditors of the Company are MNP LLP, Chartered Professional Accountants, Vancouver, British Columbia. MNP LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

National Securities Administrators Ltd., at its principal offices in Vancouver, British Columbia is the transfer agent and registrar for the Common Shares, the special warrant agent for the Special Warrants and the warrant agent for the Warrants.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by Alexander Holburn Beaudin + Lang LLP, on behalf of the Company and by Fasken Martineau DuMoulin LLP, on behalf of the Agents. As at the date hereof, the partners and associates of Alexander Holburn Beaudin + Lang LLP, as a group, and the partners and associates of by Fasken Martineau DuMoulin LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares of the Company.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this short form prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF RESCISSION

Pursuant to the terms of the Special Warrant Indenture, the Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. This contractual right of rescission is exercisable by a Special Warrantholder directly. The Company has agreed that in the event that a holder of Special Warrants who acquires Unit Shares and Warrants pursuant to the exercise of Special Warrants is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of the Prospectus and any amendments thereto containing a misrepresentation, such holder shall, subject to available defences and any limitation period under applicable securities legislation, be entitled to rescission not only of the holder's exercise or deemed exercise of its Special Warrants but also of the private placement transaction pursuant to which the Special Warrants were initially acquired, and shall be entitled in connection with such rescission to a full refund from the Company of the aggregate purchase price paid to the Company on the acquisition of the Special Warrants. In the event such holder is a permitted assignee of the interest

of the original holder of Special Warrants, such permitted assignee shall be permitted to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original holder. The holder (or its permitted assignee) shall seek a refund directly from the Company and the Special Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce the return of the funds pursuant to this section, nor shall the Special Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section, and the Special Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds. The provisions of this Section are a direct contractual right extended by the Company to holders of Special Warrants and permitted assignees of such holders and are in addition to any other right or remedy available to a holder of a purchased security under section 131(1) of the *Securities Act* (British Columbia) or equivalent provisions of applicable securities legislation, or otherwise at law. The foregoing contractual rights of action for rescission shall be subject to the defences described under section 131 of the *Securities Act* (British Columbia) which is incorporated herein by reference and any other defence or defences available to the Company under applicable securities legislation.

CERTIFICATE OF THE COMPANY

Dated: December 23, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

(Signed) *"Ahmad Doroudian"*
Ahmad Doroudian
Chief Executive Officer

(Signed) *"Moira Ong"*
Moira Ong
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) *"Robert Metcalfe"*
Robert Metcalfe
Director

(Signed) *"Ralph Anthony Pullen"*
Ralph Anthony Pullen
Director

CERTIFICATE OF THE AGENTS

Dated: December 23, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

MACKIE RESEARCH CAPITAL CORPORATION

(Signed) "*David J. Keating*"
David J. Keating
Managing Director,
Head of Equity Capital Markets, Co-Head of Capital Markets

HAYWOOD SECURITIES INC.

(Signed) "*Beng Lai*"
Beng Lai
Managing Director