UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUALREPORT PURSUANTTO SECTION 13 OR 15(d) OFTHE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of an event requiring this shell company report _____

For the transition period from _____ to _____

BETTERLIFE PHARMA INC.

(Exact name of Registrant as specified in its charter)

_____

(Translation of the Registrant's name into English)

Canada
(Jurisdiction of incorporation or organization)

1275 West 6th Avenue, #300, Vancouver, British Columbia, Canada V6H 1A6
(Address of principal executive offices)

Ahmad Doroudian, CEO, tel: 604-221-0595, email: ahmad.doroudian@blifepharma.com address: 1275 West 6th Avenue, #300, Vancouver, British Columbia, Canada V6H 1A6
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares	BETR	Canadian Securities Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Common Stock
(Title of Class)

SEC 1852 (05-19) **Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

108,675,305common shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer, "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated Filer ☒	Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards as issued by the International Accounting Standards Board ☒	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

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PART I

Introduction

BetterLife Pharma Inc. ("BetterLife", the "Company" or "we") was incorporated in British Columbia under the Business Corporations Act on June 10, 2002. On December 5, 2019, we changed our name from Pivot Pharmaceuticals Inc. to BetterLife Pharma Inc.

BetterLife is an emerging biotechnology company primarily focused on developing compounds for the treatment of mental disorders. BetterLife is also refining and developing drug candidates from a broad set of complementary interferon-based technologies which have the potential to engage the immune system to fight viral infections.

Our registered office is located at c/o Alexander Holburn Beaudin + Lang LLP, 2700 - 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1B8.

BetterLife has not earned any revenue and has an accumulated deficit of $112,186,681 as at January 31, 2023. Our continued operations are dependent on our ability to generate future cash flows through additional financing or commercialization (refer to "Risk Factors"). Management intends to continue to pursue additional financing through issuances of equity. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to us. These events or conditions indicate that a material uncertainty exists that casts substantial doubts on our ability to continue as a going concern.

Item 1. Identity of Directors, Senior Management and Advisors

The directors of the Company are Ahmad Doroudian, Robert Metcalfe, Anthony Pullen and Wolfgang Renz. In addition, Ahmad Doroudian serves as our Chief Executive Officer; Hooshmand Sheshbaradaran serves as Chief Operating Officer; and Moira Ong serves as our Chief Financial Officer. See Item 6 for further information. The business address for all directors and senior management is: 1275 West 6th Avenue, #300, Vancouver, British Columbia, Canada V6H 1A6.

Our PCAOB registered independent auditors are MNP LLP, Chartered Professional Accountants, Vancouver, BC, Canada. For further information, see the consolidated financial statements under Item 8.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

The following selected information should be read in conjunction with our consolidated financial statements, and notes, filed with this FORM 20-F. This information, and all other financial information in this FORM 20-F, is stated in Canadian dollars unless otherwise noted.

The financial information is presented on the basis of International Financial Reporting Standards.

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Selected Consolidated Financial and Operating Data

Operating Data	January 31, 2023	January 31, 2022	January 31, 2021
Revenue	$ nil	$ nil	$ nil
Operating expenses	$ (9,460,653)	$ (10,207,825)	$ (7,915,367)
Other income (expenses)	$ 87,881	$ (1,784,683)	$ (28,435,423)
Income tax expense	nil	(166,666)	nil
Net loss	$ (9,372,772)	$ (12,159,174)	$ (36,350,790)
Net loss per share, basic and fully diluted	$ (0.10)	$ (0.16)	$ (1.34)
Weighted average number of shares outstanding – basic and diluted	86,560,760	75,469,531	27,027,028

Consolidated Balance Sheet Data	January 31, 2023	January 31, 2022	January 31, 2021
Operating cash	$ 8,307	$ 173,513	$ 154,722
Working capital deficiency	$ (7,072,600)	$ (3,000,219)	$ (4,517,523)
Total assets	$ 74,727	$ 1,161,363	$ 1,336,425
Total long-term liabilities	$ 460,870	$ 899,074	$ 131,603
Deficit	$ (7,533,470)	$ (3,880,858)	$ (4,612,255)
Number of shares outstanding	90,103,873	85,241,238	51,445,842

Exchange Rates

In this FORM 20-F, references to “dollars”, “$” are to Canadian dollars, unless otherwise specified. As at January 31, 2023, the exchange rage, as quoted by the Bank of Canada, was $1.335 for each US dollar.

B. Capitalization and Indebtedness

Refer to “Selected Financial Data”.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Forward Looking-Statements and Risk Factors

Forward-looking Statements

In this document, we are showing you a picture which is part historical (events which have happened) and part predictive (events which we believe will happen). Except for the historical information, all of the information in this document comprises “forward looking” statements. Specifically, all statements (other than statements of historical fact) regarding our financial position, business strategy and plans and objectives are forward-looking statements. These forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to management. These statements involve known and unknown risks, including the risks resulting from economic and market conditions, accurately forecasting operating and capital expenditures and capital needs, successful anticipation of competition which may not yet be fully developed, and other business conditions. Our use of the words “anticipate”, “believe”, “estimate”, “expect”, “may”, “will”, “continue” and “intend”, and similar words or phrases, are intended to identify forward-looking statements (also known as “cautionary statements”). These statements reflect our current views with respect to future events. They are subject to the realization in fact of assumptions, but what we now believe will occur may turn out to be inaccurate or incomplete. We cannot assure you that our expectations will prove to be correct. Actual operating results and financial performance

may prove to be very different from what we now predict or anticipate. The “risk factors” below specifically address all of the factors now identifiable by us that may influence future operating results and financial performance.

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Risk Factors

Risks Related to the Business

There is substantial doubt as to whether we will continue operations. If we discontinue operations, you could lose your investment.

Our financial statements have been prepared on the going concern basis, which assumes that we will be able to realize our assets and discharge our liabilities in the normal course of business. Accordingly, no adjustments to the carrying value of the assets and liabilities have been made in our audited consolidated financial statements should we no longer be able to continue as a going concern. Any such adjustments could be material. As at January 31, 2023, we have not earned any revenue and have an accumulated deficit of $112,186,681. Our continued operations are dependent on our ability to generate future cash flows through additional financing or commercialization. We intend to continue to pursue additional financing through issuances of equity. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to us. These events or conditions indicate that a material uncertainty exists that casts substantial doubt on our ability to continue as a going concern.

If we are unable to obtain additional financing from outside sources and eventually generate enough revenues, we may be forced to sell a portion or all of our assets, or curtail or discontinue our operations. If any of these happens, you could lose all or part of your investment. Our financial statements do not include any adjustments to our recorded assets or liabilities that might be necessary if we become unable to continue as a going concern.

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

We have not generated any revenue since our inception on June 10, 2002 and we have incurred operating and net losses in each year of our existence. We experienced a net loss of $9,372,772 for the year ended January 31, 2023, compared to a net loss of $12,159,174 for the year ended January 31, 2022. We expect to incur substantial and increasing losses for the foreseeable future as we research, develop and commercialize our products. If our products do not achieve market acceptance, we may never generate any revenue. We also cannot assure you that we will be profitable even if we successfully commercialize our products. If we fail to generate sufficient revenues to operate profitability, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

We will require substantial additional funds to complete our development and commercialization activities, and if such funds are not available we may need to significantly curtail or cease our operations.

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

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

Our inability to complete our development projects in a timely manner could have a material adverse effect of our results of operations, financial condition and cash flows.

If our projects are not completed in a timely fashion, our Company 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 our results of operations, financial condition and cash flows.

Any products that we 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 we intend to develop and market are regulated by the US Food and Drug Administration (“FDA”) under its new drug development and review process. Before such products can be marketed, we 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 our prospective products from the FDA and other agencies in foreign locales with similar processes is unpredictable. We expect 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 our own technology. However, we cannot guarantee that our expectations will be realized, and there is no assurance that we will ever receive regulatory approval to use our proprietary substances, methods and processes. If we do not obtain such regulatory approval, we may never become profitable.

We may not commence clinical testing for any of our prospective pharmaceutical products and the commercial value of any clinical study that we may conduct will depend significantly upon our choice of indication and our patient population selection. If we are unable to commence clinical testing or if we make a poor choice in terms of clinical strategy, we may never achieve revenues.

In order to commence clinical testing, we must successfully complete and obtain positive scientific results from pre-clinical studies and, in the case of any existing drug that we are re-profiling for a new indication, adopt existing pre-clinical or early stage clinical studies to our own research. If we successfully complete any clinical study of our own, the commercial value of any such study will significantly depend upon our choice of indication and our patient population selection for that indication.

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

We will rely on contract manufacturers as source suppliers for our products.

Because of our planned reliance on contract manufacturers, we 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 our specifications, or deliver sufficient component quantities to us in a timely manner. For example, a contract manufacturer working on our behalf may violate the intellectual property rights of a third party in manufacturing a component of one of our products, and if such a violation occurs without our knowledge, we may be held vicariously liable for the acts of our 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 our behalf is found to be in violation of FDA or other national regulatory standards regarding the manufacture, packaging or labeling of any of our products, we could face any number of adverse consequences including costly regulatory investigations and fines, interruptions in the flow of our products or materials, product recalls, or liability to consumers regarding any of our products that do not meet such regulatory requirements. If any of these events occurs, if our relationship with any of our potential contract manufacturers terminates, or if any such manufacturer is unable fulfill its obligations to us for any reason, our product development and commercialization efforts could suffer and we may never realize a profit.

If we are unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, we may not be successful in commercializing our product candidates.

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

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

Our product candidates may never gain market acceptance, which could prevent us from generating revenues.

The success of our products will depend on their acceptance by customers and the public, among other things. Market acceptance of, and demand for, any product that we develop and commercialize will depend on many factors, including:

- our ability to provide acceptable evidence of safety and efficacy;
- the effectiveness of our or our collaborators' sales, marketing and distribution strategy; and
- publicity concerning our products or competing products.

If our product candidates fail to gain market acceptance, we may be unable to generate sufficient revenue to continue our business.

We face potential product liability exposure, and any claim brought against us may cause us to divert resources from our normal operations or terminate selling, distributing and marketing any of our products. This may cause us to cease our operations as it relates to that product.

The sale of any of our products may expose us to product liability claims from consumers. Although we plan to obtain product liability insurance coverage with limits that we hope will be customary and adequate to provide us with coverage for foreseeable risks, our insurance coverage may be insufficient to reimburse us for the actual expenses or losses we may suffer.

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

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

Our 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. Our failure to comply with any regulatory requirements may subject us 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 our ability to develop, market and sell our products successfully and harm our reputation, which could lead to reduced market demand for such products. Consequently, the costs associated with any such action could cause our business to suffer and prevent us from achieving our goals or becoming profitable.

Since certain of our 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.

We plan to indemnify our directors and officers against liability to us and our security holders, and such indemnification could increase our operating costs.

Our Articles allow us to indemnify our directors and officers against claims associated with carrying out the duties of their offices. Our Articles also allow us to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under relevant securities legislation may be permitted to our 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 our 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 our operating costs. Further, if our officers and directors file a claim against us for indemnification, the associated expenses could also increase our operating costs.

Your legal recourse as a United States investor could be limited.

The Company is incorporated under the laws of Canada. Most of the assets now are located outside of Canada or the United States. Only our audit firm and some of our lawyers are residents of Canada. As a result, if any of our Canadian or US shareholders were to bring a lawsuit in the Canada or the United States against the officers, directors or experts in Canada, it may be difficult to effect service of legal process on those people who reside outside of the United States or Canada, based on civil liability under the Securities Act of 1933 or the Securities Exchange Act of 1934 or equivalent Canadian securities laws. In addition, we have been advised that a judgment of a United States court based solely upon civil liability under these laws would probably be enforceable in Canada, but only if the U.S. court in which the judgments were obtained had a basis for jurisdiction in the matter. We also have been advised that there is substantial doubt whether an action could be brought successfully in Canada in the first instance on the basis of liability predicated solely upon the United States' securities laws.

Risks Related to Our Stock

Trading on the OTCQB and the Canadian Securities Exchange (the "CSE") may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

Our common stock is quoted on the OTCQB service of the Financial Industry Regulatory Authority and is traded on the CSE. Trading in stock quoted on the OTCQB or listed on the CSE is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTCQB is not a stock exchange, and trading of securities on the OTCQB 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.

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Our stock is a penny stock. Trading of our 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 our stock.

Our 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. Our 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 our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our 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 our common stock, which may limit your ability to buy and sell our stock.

You will experience dilution or subordinated stockholder rights, privileges and preferences as a result of our financing efforts.

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

We do 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.

We have never paid dividends and do not intend to pay any dividends for the foreseeable future. To the extent that we may require additional funding currently not provided for in our financing plan, our funding sources may prohibit the declaration of dividends. Because we do not intend to pay dividends, any gain on your investment will need to result

from an appreciation in the price of our 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.

Risks Related to Our Intellectual Property

If we are unable to maintain and enforce our proprietary intellectual property rights, we may not be able to operate profitably.

Our commercial success will depend, in part, on obtaining and maintaining patent protection, trade secret protection and regulatory protection of our technologies and patents as well as successfully defending third-party challenges to such technologies and patents. We will be able to protect our 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 we have exclusive rights to use them. The ability of our 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 our future.

In addition, our commercial success will depend, in part, on maintaining patent rights we have licensed and plan to license in the future, related to products we may market in the future. Since we will not fully control the patent prosecution of any licensed patent applications, it is possible that our licensors will not devote the same resources or attention to the prosecution of the licensed patent applications as we would if we 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 we 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 our intellectual property. Accordingly, we cannot predict with any certainty the range of claims that may be allowed or enforced concerning our patents or third-party patents.

We also rely on trade secrets to protect our technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. While we seek to protect confidential information, in part, through confidentiality agreements with our consultants and scientific and other advisors, they may unintentionally or willfully disclose our 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 we are not able to maintain patent or trade secret protection on our technologies and product candidates, then we may not be able to exclude competitors from developing or marketing competing products, and we may not be able to operate profitability.

If we are the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause us to go out of business.

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

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

We have licensed patent-protected technologies with certain parties and we may also license other intellectual property from other third parties, if we believe it is necessary or useful to use additional third-party intellectual property to develop our products. Typically, we 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. We 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 we are able to successfully obtain a license, certain rights may be non- or co-exclusive, and this would give our competitors access to some of the intellectual property as us, which could ultimately prevent us from commercializing a product.

Upon obtaining a license, our business prospects will depend, in part, on the ability of our licensors to obtain, maintain and enforce patent protection on our licensed intellectual property. Our licensors may terminate our 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 we would. Without protection for the intellectual property that we license, other companies may be able to offer substantially similar products for sale, and we may not be able to market or sell our planned products or generate any revenues.

Item 4. Information on the Company

A. History and Development of the Company

We are a publicly traded corporation incorporated on June 10, 2002 in the province of British Columbia, Canada under the name “649186 B.C. Ltd.”. On September 9, 2003, we changed our name to “Xerxes Health Corp.”. On June 26, 2007, we changed our name to “Neurokine Pharmaceuticals Inc.”. On April 7, 2015, we changed our name to “Pivot Pharmaceuticals Inc.” and on December 5, 2019, we changed our name to “BetterLife Pharma Inc.”.

Our registered office is located at c/o Alexander Holburn Beaudin + Lang LLP, 2700 - 700 West Georgia Street, Vancouver, British Columbia V7Y 1B8, Canada.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. Our website address is http://www.abetterlifepharma.com.

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B. Overview

We are a biopharmaceutical company engaged in the development of patented pharmaceuticals. Our company's subsidiary, MedMelior Inc. ("MedMelior") (acquired by way of amalgamation on August 31, 2020) has two products in its pipeline: MM-001 (a topical cream formulation of interferon-alpha 2b based on MedMelior's patented Biphasics formulation system) and MM-003 (a patent pending proprietary interferon alpha-2b ("IFNa2b") inhalation formulation). Through our acquisition of the assets of Nutraneeds LLC ("Nutraneeds") on December 18, 2020, we added two neuro-psychiatric products to our product portfolio: BETR-001 and BETR-002. BETR-001 is a non-hallucinogenic second-generation Lysergic Acid Diethylamide ("LSD") derivative molecule that mimics the projected therapeutic potential of LSD in the treatment of disorders such as major depressive disorder, anxiety disorder and neuropathic pain and other neuro-psychiatric and neurological disorders. BETR-002 is novel formulation of a derivative of dihydrohonokiol, a known anti-anxiety compound, with potential for treatment of treatment of anxiety related disorders, including benzodiazepine dependency.

Our management team has implemented a business-minded and cost-conscious approach to product research and development and will use contract development and manufacturing organizations on a fee for service basis to perform any research, development or production that is required.

On February 28, 2018, we completed the acquisition of Pivot Naturals, LLC ("Pivot Naturals") pursuant to an exchange agreement dated as of February 10, 2018 among BetterLife, Pivot Naturals and the members of Pivot Naturals. Pursuant to the acquisition of Pivot Naturals, we acquired a patented technology called "RTIC" Ready-To-Infuse-Cannabis ("RTIC"), relating to the transformation of cannabis oil into powder for infusion into a variety of products. By April 2020, BetterLife transferred 100% of its membership interest of Pivot Naturals to a third party and BetterLife strategically exited the California cannabis market.

In March 2020, we completed the acquisition of SolMic AG ("Solmic") and the patented Solmic solubilization drug delivery technology for oral platform. Consideration for the acquisition included CHF10,000 for the acquisition of Solmic and EUR50,000 for the patents.

On August 31, 2020, we completed an amalgamation with MedMelior pursuant to which MedMelior was amalgamated with 12167573 Canada Ltd. (the "Amalgamation"), a wholly-owned subsidiary of the Company incorporated on June 30, 2020 for purposes of the Amalgamation. Upon Amalgamation, MedMelior became a wholly-owned subsidiary of the Company. We issued 18,217,239 common shares to MedMelior shareholders, granted 856,880 stock options, with exercise prices ranging between $0.03 and US$2.47 and expiry dates between September 7, 2020 and February 28, 2023, and granted 252,595 share purchase warrants with exercise price of US$1.44 and expiring on August 6, 2022. In March 2022, MedMelior's name was changed from Altum Pharmaceuticals Inc.

In June 2020, we effected a consolidation of our issued and outstanding common shares on a ten (10) old for one (1) new common share. References to common shares in this report have been adjusted for the consolidation. Exercise or conversion prices and the number of common shares issuable under any of our outstanding warrants, restricted stock units, performance stock units and stock options have also been proportionately adjusted to reflect the consolidation.

In December 2020, we closed on a share purchase agreement with an unrelated third party (the "Purchaser") pursuant to which 100% of the issued and outstanding common shares of Pivot Pharmaceuticals Manufacturing Corp. ("Pivot"), a wholly-owned subsidiary, was sold. Pursuant to the sale, BetterLife's lease of the manufacturing facility in Dollard-des-Ormeaux, Quebec, Canada and its in-process Health Canada license application was transferred to the Purchaser and BetterLife strategically exited the Canadian cannabis manufacturing market. BetterLife remains a guarantor on the lease at Dollard-des-Ormeaux, Quebec, Canada until the lease expiry date of April 30, 2025.

On December 18, 2020, we acquired 100% of the assets in Nutraneeds in an all-stock transaction. Pursuant to the acquisition, we issued 13,333,333 common shares to principals of Nutraneeds. The assets acquired address unmet mental health needs through the development of patented next generation psychedelic therapeutics, including the LSD derivative 2-bromo-LSD.

On December 17, 2021, we signed a share contract with an unrelated third party (the "BetterLife Europe Purchaser") for the sale of 100% of the issued and outstanding common shares of BetterLife Europe Pharmaceuticals AG ("BetterLife Europe"). Pursuant to the sale of BetterLife Europe, BetterLife's Solmic patents and Solmic AG, a subsidiary of BetterLife Europe, were transferred to the BetterLife Europe Purchaser and BetterLife is no longer pursuing commercialization of cannabis products in Europe.

Platform Technologies

BETR-001

BETR-001's active chemical is 2-bromo-lysergic acid diethylamide ("2-bromo-LSD"). BETR-001 is a non-hallucinogenic LSD derivative molecule that is believed to mimic the projected therapeutic potential of LSD without the burden of its hallucinogenic effects. Human clinical trials were conducted several decades ago with 2-bromo-LSD synthesized from LSD. These trials showed that 2-bromo-LSD did not cause hallucinations, and as such the molecule was thought to have limited pharmacological value and not of interest compared to LSD. In the 1950s and 1960s, LSD was studied for the treatment of people with a number of psychiatric conditions but the very strict controlled substance classification of LSD (Schedule 1) hampered its further development as a therapeutic in this arena. This is however changing now, with LSD research as a psychiatric therapeutic currently experiencing a renaissance. LSD's hallucinogenic properties are believed to arise from its pharmacological effects on the serotonin 5HT2A receptor. The 2-bromo modification on the LSD structure is proposed to alter the pharmacological effect of the compound on the 5HT2A receptor, and lead to 2-bromo-LSD's non-hallucinogenic properties compared to LSD, while maintaining its therapeutic potential. Previously, 2-bromo-LSD has been tested in studies in humans, mainly in healthy subjects. Most of these studies were conducted in the 1950s. In 2010, a case series study in cluster headaches was reported showing that treatment with 2-bromo-LSD was effective against cluster headaches. The Company plans to develop BETR-001 to treat mental health disorders including but not limited to major depressive disorders (MDD), anxiety and neuropathic pain indications. BETR-001 is orally administered. Our intended goal is to develop BETR-001 as a patient self-administered medication prescribed by a psychiatrist. In terms of regulations, 2-bromo-LSD per se is not usually classified as a controlled substance, but if its synthesis uses LSD as starting material, the synthesis falls under Schedule 1 controlled substance regulations. We have developed and use a manufacturing process pathway that does not use LSD as starting material to make 2-bromo-LSD, a manufacturing process that is protected by our issued and provisional patents. This manufacturing is therefore not subject to Schedule 1 controlled substance restrictions, and we can move ahead with BETR-001 large scale synthesis without these restrictions.

2-bromo-LSD, the active ingredient in BETR-001, as synthesized by others, has been tested in human studies previously, mainly in healthy subjects. Most of these human studies were conducted at the end of the 1950's and early 1960's. The CMC (chemistry, manufacturing, controls) specifications of the 2-bromo-LSD in these studies is not known. Therefore, for purposes of FDA or other health regulatory authority purposes to start human clinical trials, BETR-001 is classified as a new molecular entity and is currently at the preclinical stage of development.

We are currently setting up GMP manufacturing of BETR-001. Simultaneously, we have started and plan to complete all the necessary preclinical and investigational new drug ("IND") enabling toxicology studies. Upon clearance of the IND, we currently plan to conduct a randomized placebo controlled single ascending dose (SAD) and multiple ascending dose (MAD) Phase 1 trial in healthy volunteers. As currently foreseen, the Phase 1 will then be followed with randomized placebo-controlled Phase 2 trials: one trial in MDD and one trial in cluster headaches.

BETR-002

BETR-002's active pharmaceutical ingredient is dihydrohonokiol-B ("DHH-B"). DHH-B is a derivative of honokiol, which is the active anxiolytic (anti-anxiety) ingredient of magnolia bark extracts. Magnolia bark extracts have been used in traditional Chinese medicines for centuries as anxiolytic medication. Several animal studies on safety and anxiolytic efficacy of honokiol/magnolia bark extract have been published[1]. Only two human clinical trials have been published on honokiol (given as magnolia bark extract)[2]. Magnolia bark extract/honokiol is sold as a nutraceutical. DHH-B has been shown in animal studies to have significantly (20x) more anxiolytic activity than its parent molecule honokiol[3]. Animal studies have also shown that DHH-B does not have the side effects of benzodiazepines[4] and not to be addictive like benzodiazepines[5]. No human clinical trials have been conducted on DHH-B. BETR-002 is DHH-B formulated in our patented formulation (provisional) to overcome DHH-B's insolubility and poor bioavailability for potential treatment of anxiety and other neuro-psychiatric disorders. We intend to develop DHH-B as a treatment of anxiety related disorders including benzodiazepine dependency.

BETR-002 has not been tested in human studies. It is currently in preclinical stage of development. We intend to set up GMP manufacturing of BETR-002, and alongside complete all the necessary preclinical and IND enabling toxicology studies. The timing of BETR-002 IND and clinical trials is currently under assessment. As currently foreseen, the BETR-002 IND will be followed with a randomized placebo-controlled Phase 1 clinical trial in healthy volunteers, which will then be followed with a randomized placebo-controlled Phase 2 trial treating benzodiazepine dependency.

MM-003

MM-003 is a patent pending proprietary recombinant human IFNa2b inhalation formulation. IFNa2b is a known broad acting anti-viral protein that is normally naturally synthesized by the body's cells as the first line of defense against viral infections. IFNa2b has been registered and marketed for decades as Intron® A for use as intravenous, intramuscular, sub-cutaneous or intra-lesional injections to treat various kinds of cancers and hepatitis B and C. In recent studies, IFNa2b has been shown to be effective in slowing SARS-CoV-2 viral replication, and a human trial published Friday May 15, 2020 in Frontiers of Immunology titled "Interferon-a2b Treatment for COVID-19", indicated that inhaled IFNa2b had therapeutic efficacy in COVID-19 disease. We have developed our own patent pending recombinant human IFNa2b and inhalation formulation, and intend to develop MM-003 as an inhaled IFNa2b for treatment of COVID-19 and other respiratory viral infections.

[1] Review Sarrica et al 2018
[2] Kalman et al 2008; Campus et al 2011
[3] Kuribara et al 2000 J Pharm Pharmacol
[4] Benzodiazepines include Xanax™, Valium™, Klonopin™ and Ativan™
[5] Kuribara et al 2000 J Pharmacol Biochem & Behaviour; Maruyama et al 2001

The active pharmaceutical ingredient in both MM-001 and MM-003 are the same. It is recombinant human IFNa2b. A proprietary recombinant human IFNa2b produced in E. coli is under development, which will provide the drug substance to be used for both the MM-001 cream or MM-003 inhalation formulations.

For health regulatory authority purposes to start human clinical trials, MM-003 is considered to be at preclinical stage of development. The manufacturing and formulation work is currently ongoing. A pre-IND discussion has been conducted with the FDA for use of MM-003 inhalation in COVID-19. Based on FDA feedback, an inhalation GLP toxicology study in rats using MM-003, is under planning. Given the advent of effective SARS-CoV-2 vaccines, the MM-003 development timing and path are being currently reassessed. IFNa2b is a broad acting anti-viral agent, and studies show that it is effective against many viruses. The timing of MM-003 IND and clinical trials is currently under reassessment.

Cautionary note: We are not making any express or implied claims that MM-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 MM-003 are under investigation and market authorization has not yet been obtained.

MM-001

MM-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. MM-001 is being developed as topical cream for local intravaginal use to treat HPV-induced Cervical Intraepithelial Neoplasia ("CIN"), the precursor to cervical neoplasia. Current treatments of advanced CIN are all based on invasive surgical procedures. MM-001 is being developed to be a non-invasive, self-administered treatment for CIN, with minimal side effects. Small human MM-001 Phase 1-2 trials have been completed. The IFNa2b used to manufacture the MM-001 in these previous Phase 1-2 trials were sourced from outside our Company. We intend to complete the development of our own patent pending recombinant human IFNa2b and use that in future development of MM-001.

For health regulatory authority purposes to start human clinical trials, MM-001 is considered clinical stage and with certain bridging studies (to be confirmed), it can potentially begin Phase 2 studies. The previously completed MM-001 Phase 1-2 trials were conducted using MM-001 which had IFNa2b provided by Merck & Co. under a supply agreement, which is now terminated. We are now manufacturing our own proprietary IFNa2b to be used in manufacturing of MM-001 for all future trials. MM-001 has an US IND. The MM-001 IND is currently inactive. With MM-001 manufactured using the Company's own IFNa2b, the Company plans to file a new IND under which the MM-001 Phase 2b will be conducted in US. The timing of MM-001 IND and clinical trials is currently under reassessment.

Other Platform Technologies

Ready-To-Infuse Cannabis Technology
Our patented RTIC process technology creates precise and repeatable dosing of cannabis by transforming concentrated cannabis oil into a stable, emulsifiable, odorless and flavorless powder form. The derived powder may then be encapsulated and infused for use in beverages, edibles, lotions and additional health and personal care products. The RTIC process is conducive for manufacturing of a wide array of products. We are no longer pursuing commercialization of cannabis products and are currently determining how best to proceed with this technology.

C. Organizational Structure

Our company operates through several subsidiaries as follows:

- MedMelior Inc. (Canada)
- Blife Therapeutics Inc. (Canada)
- BetterLife Pharma US Inc. (U.S.A.)
- Altum Pharma (Australia) Pty Ltd. (Australia)
- Altum Pharmaceuticals (HK) Limited (Hong Kong)

D. Property, Plants and Equipment

We currently lease our head office in Vancouver, British Columbia, Canada.

We plan on relying on contract manufacturers to produce sufficient quantities for large scale commercialization. These contract manufacturers will be subject to extensive government regulations. Regulatory authorities in the markets that we intend to serve require that drugs be manufactured, packaged and labeled in conformity with current GMP as set by the FDA. In this regard, we engage only contract manufacturers who have the capability to manufacture products in compliance with current GMP in bulk quantities for commercialization. We also safeguard our intellectual property when working with contract manufacturers by working only with manufacturers who in our estimation have a strong track record of safeguarding confidential information and who are willing to enter into agreements with us that impose upon them strict intellectual property protection measures.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

	YEAR ENDED		
	January 31, 2023	**January 31, 2022**	**January 31, 2021**
Revenue	$ nil	$ nil	$ nil
Operating expenses	(9,460,653)	(10,207,825)	(7,915,367)
Other income (expense):			
Accretion expense on convertible debentures	(55,687)	(6,584)	(33,054)
Change in unrealized gains/losses on derivative liabilities	5,362	131,250	(73,885)
Financial guarantee expense	(23,917)	(1,224,522)	(182,200)
Gain (loss) on sale/abandonment of assets, net	nil	191,699	804,429
Interest expense	(11,491)	(51,761)	(7,046)
Interest income	nil	nil	265
(Loss) gain on debt modification	(197,205)	56,264	nil
Loss on impairment of intangible assets	nil	nil	(12,116,908)
Other	18,136	26,933	(40,358)
Penalties expense	94,973	(344,492)	nil
Settlements and legal provisions	257,710	(563,470)	(120,000)
Unidentifiable assets acquired	nil	nil	(16,666,666)
Income tax expense	nil	(166,666)	nil
Net loss	$ (9,372,772)	$ (12,159,174)	$ (36,350,790)

Net loss for the year ended January 31, 2023 decreased from the year ended January 31, 2022. The decrease was mainly due to a decrease in operating expenses (discussed below) as well as a decrease in financial guarantee expense. In the 2022 fiscal year, we recorded the fair value of financial guarantee liability related to our guarantee of a lease at Dollard-des-Ormeaux, Quebec, Canada, which resulted in a financial guarantee expense of $1,224,522. In the 2023 fiscal year, financial guarantee expense is the net result of accretion expenses and gains from settlements of the guarantee liability through lease payments made by Pivot. In addition, we recorded a net gain on settlements and legal provisions resulting from a settlement agreement signed with Pivot in March 2022 for $300,000 (discussed under “Commitments and Contingencies”).

Net loss for the year ended January 31, 2022 decreased as compared to the year ended January 31, 2021. The decrease was due mainly to a non-recurring expense of $16,666,666, recorded as other expense during the year ended January 31, 2021, related to unidentifiable assets acquired. On December 7, 2020, we entered into an asset purchase agreement with Nutraneeds whereby we issued 13,333,333 common shares to acquire intellectual property, including patented technology, in connection with the compounds known as 2-bromo-LSD. The intangible assets acquired were determined to be too-early stage to meet the definition of intangible asset. Accordingly, we accounted for this transaction as an asset acquisition and measured the transaction using the fair value of the consideration paid with amount paid being recognized as a non-recurring expense related to unidentifiable assets acquired.

Also contributing to the decrease in net loss from fiscal 2021 to fiscal 2022 was the recording of impairment of intangible assets during the year ended January 31, 2021. During fiscal 2021, we recorded an impairment loss totaling $11,362,000 on its MM-001 and MM-003 intangible assets. An impairment assessment was performed from which we concluded both assets to be in such early stage of development that a reasonable estimate of recoverable amount could not be estimate. We also recorded impairment losses on our BiPhasix license, Thrudermic non-patented technology and Solmic patents as we had exited the cannabis manufacturing and commercialization industry.

This decrease in net loss was offset by an increase in operating expenses (discussed below) and an increase in financial guarantee expense related to our best estimate of the fair value of the financial guarantee liability related to our guarantee of the lease at Dollard-des-Ormeaux.

Expenses

	YEAR ENDED		
	January 31, 2023	**January 31, 2022**	**January 31, 2021**
Amortization and depreciation of equipment and intangible assets	$ 18,435	$ 18,436	$ 157,760
Amortization of right-of-use assets	nil	nil	(69,849)
Consulting fees	3,529,884	1,045,539	1,982,846
Foreign exchange loss (gain)	203,212	238,206	(39,050)
General and administrative	280,467	425,865	1,743,415
Lease liability expense	nil	nil	479,164
Professional fees	895,379	879,054	1,447,202
Promotion and marketing	123,219	437,689	185,952
Repairs and maintenance	nil	nil	22,808
Research and development	2,677,286	5,420,634	284,700
Wages, salaries and employment expenses	1,732,771	1,742,402	1,720,419
Operating expenses	$ 9,460,653	$ 10,207,825	$ 7,915,367

Operating expenses decreased from the year ended January 31, 2022. With a challenging capital markets environment, we made efforts to reduce expenditures. Within our BETR-001 program, we completed pre-clinical pharmacology studies initiated in fiscal 2022, began some IND-enabling toxicology studies, completed scale-up development of manufacturing and initiated manufacturing of first GMP batch of BETR-001. Data from the preclinical pharmacology studies were published in a peer-reviewed journal article Lewis et al., March 28, 2023, Cell Reports 42. IND-enabling toxicology studies and GMP manufacturing of the first batch of drug substance are ongoing. Within our MM-003 program, we completed Phase 2 clinical trials with interferon alpha-2b in COVID-19 patients in Chile and did not pursue any other research activities. As a result, research and development costs decreased by approximately $2.7 million from the 2022 fiscal year. General and administrative expenses and promotion and marketing expenses also decreased due to our cost minimization efforts.

The decrease in operating expenses was offset by an increase in consulting fees. During the year, MedMelior issued 3.5 million of its common shares, valued at approximately $3 million, to a third party for services provided, which contributed to an increase in consulting fees.

Operating expenses increased from the year ended January 31, 2021 to 2022, which was due to an increase in research and development expenses. During fiscal 2022, we secured net equity financings totaling over $11 million, which allowed us to pursue pre-clinical, manufacturing and clinical activities of our BETR-001 and MM-003 programs. We completed pre-clinical studies in our BETR-001 program including, but not limited to, the following: Behavioral pharmacology tests to confirm non-hallucinogenic properties, in vivo oral bioavailability and food-effect pharmacokinetic studies and animal depression studies to confirm anti-depressant properties. With our MM-003 program, we completed Phase 1 and initiated Phase 2 clinical trials with interferon alpha-2b in COVID-19 patients in Chile. We also completed pre-clinical studies which confirmed potent anti-viral activity of our interferon alpha-2b against variants of COVID-19.

Foreign exchange loss increased from fiscal 2021 to fiscal 2022 due to strengthening of the U.S. dollar. Promotion and marketing expense also increased as we incurred costs to promote our research and development programs and corporate profile. The increase in overall operating expenses was offset by a decrease in consulting fees, general and administrative and professional fees.

The table below presents material components of general and administrative expense:

	YEAR ENDED		
	January 31, 2023	**January 31, 2022**	**January 31, 2021**
Business licenses	$ 1,905	$ 19,002	$ 41,083
Conferences	2,381	25,201	775
Information technology	5,103	19,288	20,527
Insurance	nil	11,492	24,707
Investor relations	96,000	50,440	1,191,974
Office	54,185	114,013	142,592
Press release	34,245	45,782	91,914
Public listing expense	60,679	78,993	125,477
Shareholder expense	nil	22,396	10,205
Telecommunications	981	4,137	4,803
Travel, meals and entertainment	4,473	5,174	51,664
Utilities	nil	nil	19,499
Website costs	20,515	29,946	18,196
	$ 280,467	$ 425,865	$ 1,743,415

General and administrative expense for the year ended January 31, 2023 decreased from the year ended January 31, 2022 as we made efforts to reduce expenditures. With the reduction in research activities, shipping costs within office expense decreased. Discretionary expenditures within conferences, information technology and website costs were reduced. We also did not incur any insurance and shareholder expense in the fiscal 2023 year.

General and administrative expense for the year ended January 31, 2022 decreased as compared to the year ended January 31, 2021. Fiscal 2021 had higher general and administrative expenses related mainly to our Amalgamation with MedMelior. In May 2020, we announced that we were pursuing an Amalgamation with MedMelior. We disseminated a number of news releases to update the market regarding MedMelior and the Amalgamation process and filed a listing statement pursuant to the Amalgamation, increasing press release and public listing expenses in fiscal 2021. We also engaged public and investor relations companies to provide media services and assist with communications to the public of our corporate activities, which resulted in higher investor relations expense during the year ended January 31, 2011. The majority of the increase in investor relations expense was due to share-based payment expenses utilized to compensate third parties while allowing us to conserve cash. In fiscal 2022, we focused our resources on research and development of our programs (as discussed above).

B. Liquidity and Capital Resources

We manage our liquidity risk by reviewing, on an ongoing basis, capital requirements and capital structure. We make adjustments to our capital structure in light of changes in economic conditions and the risk characteristics of our assets. To maintain or adjust our capital structure, we may issue new common shares or debenture, acquire or dispose of assets or adjust the amount of cash. As of January 31, 2023, we believe we have adequate available liquidity to meet operating requirements and fund product development initiatives and capital expenditures. While we have incurred losses to date, with an accumulated deficit of $112,186,681 at January 31, 2023, we anticipate the success and eventual profitability from research, development and commercialization of our product portfolio. We also ensure that we have access to public capital markets. However, there can be no assurance that we will gain adequate market acceptance for our products or be able to generate sufficient positive cash flow to achieve our business plans. Therefore, we are subject to risks including, but not limited to, inability to raise additional funds through equity and/or debt financing to support ongoing operations. See “Risk Factors”.

Working Capital

The following table presents the Company’s working capital as at January 31, 2023 and January 31, 2022:

	January 31, 2023	January 31, 2022
Current assets	$ 74,727	$ 1,142,928
Current liabilities	7,147,327	4,143,147
Working capital deficiency	$ (7,072,600)	$ (3,000,219)

Working capital deficiency increased as compared to January 31, 2022. With a challenging capital markets environment in fiscal 2023, the Company and MedMelior secured approximately $833,000 of net equity financing, compared to over $11 million in fiscal 2022.

Statements of Cash Flows

The following table presents our cash flows for the years ended January 31, 2023, 2022 and 2021:

	YEAR ENDED		
Net cash provided by (used in):	January 31, 2023	January 31, 2022	January 31, 2021
Operating activities	$ (1,503,512)	$ (11,202,820)	$ (7,164,881)
Investing activities	nil	nil	(71,550)
Financing activities	$ 1,335,889	11,233,521	4,089,644
Effect of foreign exchange rate changes on cash	2,417	(11,910)	19,805
Increase (decrease) in cash for the period	$ (165,206)	$ 18,791	$ (3,126,982)

Cash used in operating activities and cash from financing activities for the year ended January 31, 2023 decreased as compared to fiscal 2022. Rising inflation, interest rates and monetary tightening drove down capital markets globally during our fiscal 2023 year end. As a result, the Company and MedMelior secured approximately $833,000 of net equity financing compared to over $11 million in fiscal 2022. Cash from financing activities in fiscal 2023 also included subscriptions received by the Company and MedMelior of approximately $503,000.

Cash used in operating activities for the year ended January 31, 2022 increased as compared to the year ended January 31, 2021. The increase was primarily due to expenditures made on our research and development programs using proceeds received from issuance of common shares and warrants. Cash provided by financing activities also increased from the 2021 fiscal year. During fiscal 2022, we secured net equity financings totaling over $11 million from non-brokered private placements and under our shelf prospectus.

Commitments and Contingencies

In September 2019, BetterLife was served with a claim from Green Stream Botanicals Corp. for a finder's fee in the amount of $600,000 in relation to the non-brokered private placement of $15 million that it closed in May 2019. In July 2020, this claim was settled for $120,000.

In November 2019, our former Chief Executive Officer filed an originating application with the Superior Court in the province of Quebec for damages stemming from a termination of employment. The former Chief Executive Officer is seeking payment of amounts totaling approximately $1 million, exercisability of his stock options until the original expiry dates, issuance of 600,000 stock options and an order that the Company not issue further common shares. We believe the claims are unfounded and intend to vigorously defend these claims.

In January 2020, an injunction was filed against the Company in the Superior Court of Quebec by Bio V Pharma Inc. ("BioV") seeking provisional orders in respect of the premises sub-leased at 285 Kesmark Street and damages of approximately $395,000. In January 2021, this injunction was discontinued.

In March 2021, Olymbec Development Inc. ("Olymbec") filed a judicial demand before the Superior Court of Québec and a judgement for a safeguard order was obtained by Olymbec against Pivot, a former subsidiary, and the Company, as guarantor of the lease at 285-295 Kesmark Street, Quebec, ordering Pivot and the Company to jointly pay the full amount of the lease on the first day of each month. In May 2021, a judgement for a safeguard order was issued ordering Pivot and the Company to provide post-dated cheques for monthly lease payments for the months of June through November 2021. In June 2021, a judgement granted Pivot and the Company until June 30, 2021 to pay the outstanding lease totaling $124,223 and to deliver post-dated cheques each in the amount of $49,410.51 for monthly lease payments for the months of July through November 2021 (completed). Olymbec is also claiming administrative fees of approximately $36,500 resulting from Pivot's default on its monthly lease. We are assessing options available to contest the judicial demand from Olymbec and mitigate its damages.

We are a guarantor on the lease at 285-295 Kesmark Street in Quebec, Canada, which was assigned together with the sale of Pivot pursuant to which we have recorded a financial guarantee liability of $1,107,212 (January 31, 2022 - $1,083,295) based on our best estimate of potential future loss.

In October 2021, we filed an application for a bankruptcy order ("Application") against Pivot in the Superior Court (Commercial Division) of Quebec. Pivot is the lessee of the "Lease and had not met its Lease liabilities upon which we, as guarantor, were required to meet following the safeguard orders issued by the Superior Court (Civil Division) of Quebec. In March 2022, the Company and Pivot signed a settlement agreement pursuant to which Pivot would make a lump sum payment of $300,000 to the Company as follows: $150,000 on or before April 1, 2022 and $150,000 on or before May 31, 2022 (the "Transaction"), which was homologated by the Superior Court (Commercial Division) of Quebec on March 28, 2022. During the year ended January 31, 2023, $300,000 of settlement income has been recorded in settlements, net on the consolidated statements of loss and other comprehensive loss. On June 13, 2022, the Application was withdrawn by the Company.

The Company and MedMelior were named as defendants in a lawsuit before the Supreme Court of the State of New York, New York County ("State Court") by a former director of MedMelior, who served as director prior to MedMelior's amalgamation with the Company. This former director filed the verified complaint on January 20, 2022, seeking compensatory and punitive damages in amounts believed by the Company to be in excess of US$2 million and US$10 million, respectively. During March 2022, we filed a motion to dismiss the complaint on the basis of inconvenient forum and for lack of jurisdiction. On December 1, 2022, following oral argument on the motion, the State Court dismissed the complaint in its entirety. On April 29, 2022, in response to our then-pending motion to dismiss, the former director filed a separate, parallel action, naming the Company and MedMelior before the United States District Court for the Southern District of New York, asserting substantially the same claims as in the State Court action. We believe that lawsuit to be unfounded and have filed a motion to dismiss, substantially similar to the motion granted by the State Court.

In January 2022, a statement of claim was filed against the Company by a third party for breach of a marketing contract. In March 2023, this claim was settled for $30,000.

In March 2022, MedMelior filed a notice of civil claim against its former pre-Amalgamation directors in the Supreme Court of British Columbia for breach of fiduciary and statutory duties and breach of contract. Relief sought include general and special damages.

At January 31, 2023, certain of our research and development programs, with a total contracted amount of $5.59 million, were in progress of which we have paid $3.06 million and a further $2.53 million remains to be paid in future periods.

C. Research and Development, Patents and Licenses, etc.

We rely on a combination of copyright, trademark and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary and intellectual property rights. These laws, procedures and restrictions provide only limited protection.

We endeavor to enter into agreements with our employees, contractors, distributors, resellers, business partners and other third parties with which we do business or wish to do business in order to limit access to and disclosure of our proprietary information. We cannot be certain that the steps we have taken will prevent unauthorized use, disclosure or reverse engineering of our technology. Moreover, others may independently develop technologies that are competitive with ours or that infringe our intellectual property rights. The enforcement of our intellectual property rights also depends on any legal actions against these infringers being successful, but these actions may not be successful, even when our rights have been infringed.

Furthermore, effective patent, trademark, copyright and trade secret protection may not be available in every country in which our products, services and solutions are sold. In addition, the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and still evolving.

D. Trend Information

Trend information is included throughout the other sections of this Item 5. In addition, we expect our operating results to continue to fluctuate in future quarters, and in light of the current pandemic situation (see "Risk Factors").

E. Off-Balance Sheet Arrangements

Not applicable.

F. Tabular Disclosure of Contractual Obligations

Not applicable.

G. Safe Harbor

This annual report contains forward-looking statements about us, our markets and our industry. These statements involve known and unknown substantial risks, uncertainties and other factors as described in detail under "Item 3. Key Information—D. Risk factors" in this annual report that may cause our actual results, levels of activity, performance or achievement to be materially different from those expressed or implied by the forward-looking statements. All statements, other than statements of historical fact, included in this annual report regarding our strategy, future operations, future financial position, future net sales, projected expenses, prospects and plans and objectives of management are forward-looking statements.

In some cases, you can also identify forward-looking statements by terms such as "anticipate," "believe," "estimate," "expect," "intend," "may," "might," "plan," "project," "will," "would," "should," "could," "can," "predict," "potential," "continue," "objective," or the negatives of these terms, and similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words.

All forward-looking statements reflect our current views about future events and are based on assumptions and subject to risks and uncertainties. Forward-looking statements in this annual report include, but are not limited to, statements about:

- our business strategies;
- our future prospects, business development, results of operations and financial condition;
- competition from local and international companies, new entrants in the market and changes to the competitive landscape;
- the adoption of new, or changes to existing, laws and regulations;
- the termination of or changes to our relationships with our partners and other third parties;

- our plans to launch and monetize new products;
- our ability to retain key personnel and attract new talent;
- our ability to adequately protect our intellectual property;
- the anticipated costs and benefits of our acquisitions;
- the outcome of ongoing or any future litigation or arbitration, including litigation or arbitration relating to intellectual property rights;
- our legal and regulatory compliance efforts; and
- worldwide economic conditions and their impact on demand of our products and services.

Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements.

Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this annual report. You should read this annual report and the documents that we have filed as exhibits to this annual report completely and with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth the name, positions held and principal occupation of each of our directors, senior management and employees upon whose work the Company is dependent. Information on such persons' share ownership is under Item 7.

Name and Positions Held (Age)	Experience and Principal Business Activities
Ahmad Doroudian (62)	Chief Executive Officer & Director of the Company since 2020
Robert Metcalfe (83)	Director of the Company since 2020
Anthony Pullen (78)	Director of the Company since 2020
Wolfgang Renz (53)	Director of the Company since 2015
Hooshmand Sheshbaradaran (66)	Chief Operating Officer of the Company since 2020
Moira Ong (48)	Chief Financial Officer of the Company since 2010

Ahmad Doroudian
Ahmad Doroudian is an accomplished executive with experience in management and development of private and publicly traded pharmaceutical companies. Dr. Doroudian has served as our Chief Executive Officer since January 2020. In 2016, Dr. Doroudian founded a pharmaceutical research and development company, MedMelior Inc., which was amalgamated with the Company in 2020. From 2009 to February 2014, he was the founder, Chief Executive Officer and Director of Merus Labs Inc., a publicly listed specialty pharmaceutical company (MSL: TSX and MSLI: NASDAQ) engaged in licensing and acquisition of legacy brands and innovative near-market products. From 2003 to 2009, he was involved in early-stage financing of private and publicly listed companies. From 1994 to 2002, Dr. Doroudian was the founder and Chief Executive Officer of PanGeo (Pharmex Industries) where he assembled a team that completed over $100 million in debt and equity and guided numerous acquisitions and licensing transactions. From 1990 to 1996, he was manager of operations at Novapharm (Teva), in charge of management of manufacturing, supply chain and process development facilities in Vancouver, British Columbia. Dr. Doroudian holds an M.Sc. in Pharmaceutics and a PhD in Biopharmaceutics (pharmacokinetics and drug metabolism) from the University of British Columbia.

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Robert Metcalfe

Robert Metcalfe is a lawyer and has served as president, chief executive officer, lead director, chairman and committee member on numerous publicly listed natural resource and industry company corporate boards in Canada, the USA, England, South America and Africa. He was a senior partner with the law firm Lang Michener LLP for 20 years. He is the former President and Chief Executive Officer of Armadale Properties and counsel to all of the Armadale Group of Companies, with significant holdings across numerous industries including finance, construction of office buildings, airport ownership, management and refurbishing, land development, automotive dealerships as well as newspaper publishing, radio and television stations. Mr. Metcalfe was a director of Canada Lands Company Limited, one of the largest real estate corporations in Canada, and was a director and Chairman of the Board of CN Tower Limited, the tallest communications structure in the world. Throughout his career, Mr. Metcalfe has served as a director of public and private corporations including publicly listed Radiant Energy Corp. (airplane de-icing company operating in the US), Alberta Oil Sands (Chairman of the Board); LeadFX (in Australia), Director and Chairman of the Board, and member of the Audit Committee; PetroMagdalena Inc. (oil and gas in Colombia); LSC Lithium in Argentina and currently serves as director of publicly listed companies Pasofino Gold Limited and Blue Star Gold Corp. As a director and shareholder, Mr. Metcalfe has been engaged in numerous acquisitions, divestitures, corporate reorganizations, financings and corporate improvements, as well as serving on numerous special committees across many sectors. He is a graduate of the course for Corporate Directors and a member in good standing of the Law Society of Ontario.

Anthony Pullen

Ralph Anthony Pullen has been an active participant in the Canadian capital markets for over 50 years. During that time, Mr. Pullen has filled most roles in the institutional equity markets, including sales, investment research, market strategist and investment banker. He has been a leading force in the healthcare and biotechnology industry sectors since the mid-eighties, beginning when these industries began to emerge in Canada. He was instrumental in the creation and initial funding of MDS Capital Corp., which became Canada's largest venture capital fund dedicated to life sciences. Mr. Pullen served as a board member from 1988, up to its transition to become Lumira Ventures in 2009, and then on to 2017, a 29-year span. From 2013 to 2019, Mr. Pullen was an investment banker in the healthcare and biotechnology industries with Dominick Capital Corp. and from 2006 to 2011, a partner at Paradigm Capital Inc. with corporate finance responsibility for the healthcare and biotech sector. Prior to that, Mr. Pullen was Vice Chairman at both Yorkton Securities Inc. and Loewen, Ondaatje McCutcheon. In all those roles, Mr. Pullen has led and advised on millions of dollars of fund-raising efforts in the life sciences sector. Mr. Pullen obtained his Bachelor of Arts in Economics from York University in 1969.

Wolfgang Renz

Wolfgang Renz is President of International Business at Physicians Interactive. Formerly, Dr. Renz served as Corporate Vice President of Business Model & Healthcare Innovation at Boehringer Ingelheim, one of the world's largest pharmaceutical companies. For over a decade, he has been involved in developing medicines and technology to help people lead healthier, more productive lives. At Boehringer Ingelheim, he led a team of specialists to find, test, and develop the disruptive technologies that will shape the way health care will be delivered in the future. In addition, he also serves as Adjunct Professor of Surgery at McGill University's Faculty of Medicine in Montreal, Canada. Prof. Renz holds a medical degree and a PhD from Freiburg University and is board certified in Germany in emergency medicine.

Hooshmand Sheshbaradaran

Hooshmand Sheshbaradaran is experienced in the pharmaceutical and biotechnology sectors, in drug development, marketing, business development, financing, and executive operations. Previously, Dr. Sheshbaradaran has held senior global marketing and business development executive positions in several leading pharmaceutical companies, including Global Director of Oncology Business Development at Roche and Global Director of Oncology, New Products Marketing at Pharmacia/Pfizer. He also has extensive small biotech experience, including holding positions such as Chief Business Officer at PsiOxus Therapeutics Ltd, Head of the US subsidiary of Zeneus Pharma Ltd. (acquired by Cephalon, Inc. in 2007), and co-founder and CEO of Niiki Pharma Inc (acquired by Intezyne Technologies in 2013). Dr. Sheshbaradaran has been involved in the development of several anti-cancer drugs, including Camptosar, Ellence, Emcyt, Sutent, and Vidaza. Dr. Sheshbaradaran holds a PhD in Virology (1985) from the Karolinska Institute, Stockholm.

Moira Ong

Moira Ong is a Chartered Professional Accountant with experience in accounting, financial reporting and consulting. From March 2010 through December 2012, Ms. Ong was the Vice President of Finance of Merus Labs International Inc., a specialty pharmaceutical company that acquired legacy branded drug portfolios. She implemented processes and controls and oversaw the financial reporting obligations of Merus Labs International Inc. as it progressed from a start-up to a fully operational entity and obtained its first public listing on the Canadian National Stock Exchange before its amalgamation with a NASDAQ/TSX listed entity. In addition to holding her Chartered Professional Accountant designation, Moira also holds a Chartered Financial Analyst designation and a Bachelor of Commerce degree from the University of British Columbia.

B. Compensation

Executive Compensation Plans and Employment Agreements

We have entered into employment agreements with our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.

The following table sets forth compensation for our directors and officers for the year ended January 31, 2023:

Name and Positions Held	Compensation	Long-term Incentive Plan Awards	Total
Ahmad Doroudian, Director, Chief Executive Officer and former Chief Business Officer[1][7]	$ 300,000	$ 223,154	$ 523,154
Hooshmand Sheshbaradaran, Chief Operating Officer[2][7]	$ 333,914	$ 256,069	$ 589,983
Moira Ong, Chief Financial Officer[3][7]	$ 264,000	$ 253,010	$ 517,010
Wolfgang Renz, Director, former Chief Medical Officer and former Regional Manager - Europe[4]	$ 18,000	$ 18,163	$ 36,163
Robert Metcalfe, Director[5]	$ 60,000	$ 44,297	$ 104,297
Anthony Pullen, Director[6]	$ 70,000	$ 49,438	$ 119,438

(1) Ahmad Doroudian was appointed Director and Chief Executive Officer on January 20, 2020. He served as Chief Business Officer until December 31, 2019.

(2) Hooshmand Sheshbaradaran served as Chief Operating Officer of our subsidiary, MedMelior, which was acquired August 31, 2020. Effective May 1, 2023, Dr. Sheshbaradaran was appointed Chief Operating Officer of the Company.

(3) Moira Ong was appointed Chief Financial Officer on December 26, 2010.

(4) Wolfgang Renz was appointed Director on February 5, 2015. Mr. Renz was Regional Manager – Europe and Chief Medical Officer until March 13, 2020.
(5) Robert Metcalfe was appointed Director on January 21, 2020.
(6) Anthony Pullen was appointed Director on May 7, 2020.
(7) In April 2023, outstanding compensation to officers totaling approximately $470,000 was forgiven.

Equity Compensation Plans

Effective October 1, 2019, we adopted a long-term incentive plan. Under this plan, our company may grant share purchase options, restricted stock units, performance stock units or deferred share units to its directors, officers, employees and consultants up to an amount as determined by our company and will be no more than 10% of its outstanding common shares on a fully-diluted basis. The exercise price of the share purchase options will be determined by our Company and will be no less than market price on grant date.

The following table sets forth equity compensation plans outstanding as at January 31, 2023:

Type	Outstanding
Share Purchase Options	6,270,000
Performance Stock Units	25,000

C. Board Practices

Each director holds office until the next annual general meeting of our Company unless his office is earlier vacated in accordance with the corporate laws of the province of British Columbia and the bylaws of our Company.

During the most recently completed fiscal year, there are no arrangements (standard or otherwise) under which directors of our Company were compensated by our Company or its subsidiaries for services rendered in their capacity as directors, nor were any amounts paid to the directors for committee participation or special assignments except as disclosed under B. Compensation. There were no arrangements under which the directors would receive compensation or benefits in the event of the termination of that office.

Our Board of Directors also serve as our audit committee. The audit committee is responsible for selecting, evaluating and recommending our company's auditors to the Board of Directors for shareholder approval; evaluating the scope and general extent of the auditors' review; overseeing the work of the auditors; recommending the auditors' compensation to the Board of Directors; and assisting with the resolution of any disputes between management and the auditors regarding financial reporting. The audit committee is also responsible for reviewing the Company's annual and interim financial statements and recommending their approval to the Board of Directors; reviewing the Company's policies and procedures with respect to internal controls and financial reporting; and establishing procedures for dealing with complaints regarding accounting, internal controls or auditing matters.

We do not have a compensation or corporate governance committee at the present time. Our Company is trading on the OTCQB as a foreign private issuer and as such it believes that it is not required to have such committees. We are also not required to have such committees in our home jurisdiction.

D. Employees

As at January 31, 2023, the Company had four (4) officers/employees.

E. Share Ownership

Our directors and officers own the indicated shares of common stock as at the date hereof; percentages are based on issued and outstanding shares outstanding as of the date hereof.

Name	No. of shares of Common Stock	Percentage of Common Shares outstanding at May 29, 2023
Ahmad Doroudian	8,164,967 (1)	7.51%
Hooshmand Sheshbaradaran	1,386,281	1.28%
Moira Ong	637,825	0.59%
Robert Metcalfe	30,000	0.03%
Ralph Anthony Pullen	3,000	0.00%
Wolfgang Renz	36,500	0.03%

(1) Of these, 1,175,304 common stock are held by the spouse of Mr. Doroudian.

Item 7. Major Shareholders and Related Party Transactions.

A. Major Shareholders

To our knowledge, three individuals beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 5% of the voting rights based on the common shares outstanding at May 29, 2023 as follows:

Name	No. of shares of Common Stock	Percentage of Common Shares outstanding at May 29, 2023
Ahmad Doroudian	8,164,967	7.51%

The Company has approximately 327 shareholders of record at May 29, 2023, including 49 shareholders of record (15%) who are residents of the United States.

To our knowledge, we are not owned by any foreign government, nor are there any arrangements which may result in a change of control of the Company.

B. Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties are disclosed in the consolidated financial statements. All related party transactions were in the ordinary course of business and were measured at their exchange amounts.

C. Interest of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Refer to the consolidated financial statements under Item 17.

B. Significant Changes

Not applicable.

Item 9. The Offer and Listing

A. Offer and Listing Details

The following table sets forth the high and low sales prices of our common shares listed on the CSE for the periods indicated below:

Quarter Ended	High	Low
January 31, 2023	$ 0.19	$ 0.14
October 31, 2022	$ 0.24	$ 0.13
July 31, 2022	$ 0.15	$ 0.08
April 30, 2022	$ 0.22	$ 0.12
January 31, 2022	$ 0.34	$ 0.19
October 31, 2021	$ 0.35	$ 0.25
July 31, 2021	$ 0.75	$ 0.23
April 30, 2021	$ 1.90	$ 0.60

B. Plan of Distribution

Not applicable.

C. Markets

Our common shares are quoted on the Canadian Securities Exchange, listed for quotation on December 19, 2017, under the Symbol “BETR”. Our common stock is also quoted on the OTCQB, listed for quotation on April 13, 2010, under the Symbol "BETRF".

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Authorized

An unlimited number of common shares without par value are authorized in the articles of incorporation.

Issued and Outstanding

As of May 29, 2023, 108,675,305 common shares were issued and outstanding.

B. Memorandum and Articles of Association

BetterLife is registered under the *Business Corporations Act* in British Columbia.

C. Material Contracts

Except as otherwise disclosed in this FORM 20-F, we are not currently, and have not been in the last two years, party to any material contract, other than contracts entered into in the ordinary course of business.

D. Exchange Controls

There are no laws, decrees or regulations in Canada relating to restrictions on the export or import of capital, or affecting the remittance of interest, dividends or other payments to non-resident holders of our shares of common stock.

E. Taxation

The Company is a Canadian corporation which, since it has not earned any revenues in Canada, has not paid taxes in Canada.

Canadian Holders are subject to Canada taxation regarding their capital gains and losses.

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Canadian Federal Income Tax Information for United States Residents

The following is a discussion of material Canadian federal income tax considerations generally applicable to holders of our common shares who acquire such shares in the Company and who, for purposes of the Income Tax Act (Canada) and the regulations thereunder, (or the "Canadian Tax Act"):

- deal at arm's length and are not affiliated with us;
- hold such shares as capital property;
- do not use or hold (and will not use or hold) and are not deemed to use or hold our common shares, in or in the course of carrying on business in Canada;
- have not been at any time residents of Canada; and
- are, at all relevant times, residents of the United States, or U.S. Residents, under the Canada-United States Income Tax Convention (1980), (the Convention).

TAX MATTERS ARE VERY COMPLICATED AND THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES WILL DEPEND UPON THE STOCKHOLDER'S PARTICULAR SITUATION. THE SUMMARY OF MATERIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS INTENDED TO PROVIDE ONLY A GENERAL SUMMARY AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES.

THIS DISCUSSION DOES NOT INCLUDE A DESCRIPTION OF THE TAX LAWS OF ANY PROVINCE OR TERRITORY WITHIN CANADA. ACCORDINGLY, HOLDERS AND PROSPECTIVE HOLDERS OF OUR COMMON SHARES ARE ENCOURAGED TO CONSULT WITH THEIR OWN TAX ADVISERS ABOUT THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES, INCLUDING ANY CONSEQUENCES OF PURCHASING, OWNING OR DISPOSING OF OUR COMMON SHARES ARISING UNDER CANADIAN FEDERAL, CANADIAN PROVINCIAL OR TERRITORIAL, U.S. FEDERAL, U.S. STATE OR LOCAL TAX LAWS OR TAX LAWS OF JURISDICTIONS OUTSIDE THE UNITED STATES OR CANADA.

This summary is based on the current provisions of the Canadian Income Tax Act, proposed amendments to the Canadian Income Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments"), and the provisions of the Canada-US Tax Convention as in effect on the date hereof. No assurance can be given that the Proposed Amendments will be entered into law in the manner proposed, or at all. No advance income tax ruling has been requested or obtained from the Canada Revenue Agency to confirm the tax consequences of any of the transactions described herein.

This summary is not an exhaustive description of all possible Canadian federal income tax consequences for U.S. Residents, and other than the Proposed Amendments, does not take into account or anticipate any changes in law, whether by legislative, administrative, governmental or judicial decision or action, nor does it take into account Canadian provincial, U.S. or foreign tax considerations which may differ significantly from those discussed herein. No assurances can be given that subsequent changes in law or administrative policy will not affect or modify the opinions expressed herein.

A U.S. Resident will not be subject to tax under the Canadian Tax Act in respect of any capital gain on a disposition of our common shares unless such shares constitute "taxable Canadian property", as defined in the Canadian Tax Act, of the U.S. Resident and the U.S. Resident is not eligible for relief pursuant to the Convention. Our common shares will not constitute "taxable Canadian property" if, at any time during the 60-month period immediately preceding the disposition of the common shares, the U.S. Resident, persons with whom the U.S. Resident did not deal at arm's length, or the U.S. Resident together with all such persons, did not own 25% or more of the issued shares of any class or series of shares of our capital stock. In addition, the Convention generally will exempt a U.S. Resident who would otherwise be liable to pay Canadian income tax in respect of any capital gain realized by the U.S. Resident on the disposition of our common shares from such liability provided that the value of our common shares is not derived

principally from real property situated in Canada. The Convention may not be available to a U.S. Resident that is a U.S. LLC which is not subject to tax in the U.S.

Amounts in respect of our common shares paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of, dividends to a U.S. Resident will generally be subject to Canadian non-resident withholding tax at the rate of 25%. Currently, under the Convention the rate of Canadian non-resident withholding tax will generally be reduced to:

- 5% of the gross amount of dividends if the beneficial owner is a company that is resident in the U.S. and that owns at least 10% of our voting shares; or
- 15% of the gross amount of dividends if the beneficial owner is some other resident of the U.S.

United States Federal Income Tax Information for United States Holders

The following is a general discussion of material U.S. federal income tax consequences of the ownership and disposition of our common shares by U.S. Holders (as defined below). This discussion is based on the United States Internal Revenue Code of 1986, as amended, Treasury regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect at the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion only addresses the tax consequences for U.S. Holders that will hold their common shares as a "capital asset" and does not address U.S. federal income tax consequences that may be relevant to particular U.S. Holders in light of their individual circumstances or U.S. Holders that are subject to special treatment under certain U.S. federal income tax laws, such as:

- tax-exempt organizations and pension plans;
- persons subject to an alternative minimum tax;
- banks and other financial institutions;
- insurance companies;
- partnerships and other pass-through entities (as determined for United States federal income tax purposes);
- broker-dealers;
- persons who hold their common shares as a hedge or as part of a straddle, constructive sale, conversion transaction, and other risk management transaction; and
- persons who acquired their common shares through the exercise of employee stock options or otherwise as compensation.

As used herein, the term "U.S. Holder" means a beneficial owner of our common shares that is:

- an individual citizen or resident of the United States;
- a corporation, a partnership or entity treated as a corporation or partnership for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; and
- a trust if both a United States Court is able to exercise primary supervision over the administration of the trust; and one or more United States persons have the authority to control all substantial decisions of the trust.

TAX MATTERS ARE VERY COMPLICATED AND THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES WILL DEPEND UPON THE STOCKHOLDER'S PARTICULAR SITUATION. THE SUMMARY OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS INTENDED TO PROVIDE ONLY A GENERAL SUMMARY AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES.

NOTE THAT THIS DISCUSSION DOES NOT INCLUDE A DESCRIPTION OF THE TAX LAWS OF ANY STATE OR LOCAL GOVERNMENT WITHIN THE UNITED STATES. ACCORDINGLY, HOLDERS AND PROSPECTIVE HOLDERS OF OUR COMMON SHARES ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES.

Ownership of Shares

The gross amount of any distribution received by a U.S. Holder with respect to our common shares generally will be included in the U.S. Holder's gross income as a dividend to the extent attributable to our current and accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent a distribution received by a U.S. Holder is not a dividend because it exceeds the U.S. Holder's pro rata share of our current and accumulated earnings and profits, it will be treated first as a tax-free return of capital and reduce (but not below zero) the adjusted tax basis of the U.S. Holder's shares. To the extent the distribution exceeds the adjusted tax basis of the U.S. Holder's shares, the remainder will be taxed as capital gain (the taxation of capital gain is discussed under the heading "Sale of Shares" below).

For taxable years beginning before January 1, 2009, dividends received by non-corporate U.S. Holders from a qualified foreign corporation are taxed at the same preferential rates that apply to long-term capital gains. A foreign corporation is a "qualified foreign corporation" if it is eligible for the benefits of a comprehensive income tax treaty with the United States (the income tax treaty between Canada and the United States is such a treaty) or the shares with respect to which such dividend is paid is readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market). Notwithstanding satisfaction of one or both of these conditions, a foreign corporation is not a qualified foreign corporation if it is a passive foreign investment company ("PFIC") for the taxable year of the corporation in which the dividend is paid or the preceding taxable year. (Whether a foreign corporation is a PFIC is discussed below under the heading "Passive Foreign Investment Companies"). A foreign corporation that is a PFIC for any taxable year within a U.S. person's holding period generally is treated as a PFIC for all subsequent years in the U.S. person's holding period. Although we have not been, are not now, and do not expect to be a PFIC, and we don't expect to pay dividends, you should be aware of the following matters in the event that we do become a PFIC and do pay dividends.

If we were to become a PFIC, then U.S. Holders who acquire our common shares may be treated as holding shares of a PFIC throughout their holding period for the purpose of determining whether dividends received from us are dividends from a qualified foreign corporation. As a consequence, dividends received by U.S. Holders may not be eligible for taxation at the preferential rates applicable to long-term capital gains.

If a distribution is paid in Canadian dollars, the U.S. dollar value of such distribution on the date of receipt is used to determine the amount of the distribution received by a U.S. Holder. A U.S. Holder who continues to hold such Canadian dollars after the date on which they are received, may recognize gain or loss upon their disposition due to exchange rate fluctuations. Generally, such gains and losses will be ordinary income or loss from U.S. sources.

U.S. Holders may deduct Canadian tax withheld from distributions they receive for the purpose of computing their U.S. federal taxable income (or alternatively a credit may be claimed against the U.S. Holder's U.S. federal income tax liability as discussed below under the heading "Foreign Tax Credit"). Corporate U.S. Holders generally will not be allowed a dividend received deduction with respect to dividends they receive from us.

Foreign Tax Credit

Generally, the dividend portion of a distribution received by a U.S. Holder will be treated as income in the passive income category for foreign tax credit purposes. Subject to a number of limitations, a U.S. Holder may elect to claim a credit against its U.S. federal income tax liability (in lieu of a deduction) for Canadian withholding tax deducted from its distributions. The credit may be claimed only against U.S. federal income tax attributable to a U.S. Holder's passive income that is from foreign sources.

If we were to become a qualified foreign corporation with respect to a non-corporate U.S. Holder, dividends received by such U.S. Holder will qualify for taxation at the same preferential rates that apply to long-term capital gains. In such case, the dividend amount that would otherwise be from foreign sources is reduce by multiplying the dividend amount by a fraction, the numerator of which is the U.S. Holder's preferential capital gains tax rate and the denominator of which is the U.S. Holder's ordinary income tax rate. The effect is to reduce the dividend amount from foreign sources, thereby reducing the U.S. federal income tax attributable to foreign source income against which the credit may be claimed. Canadian withholding taxes that cannot be claimed as a credit in the year paid may be carried back to the preceding year and then forward 10 years and claimed as a credit in those years, subject to the same limitations referred to above.

The rules relating to the determination of the foreign tax credit are very complex. U.S. Holders and prospective U.S. Holders should consult their own tax advisors to determine whether and to what extent they would be entitled to claim a foreign tax credit.

Sale of Shares

Subject to the discussion of the "passive foreign investment company" rules below, a U.S. Holder generally will recognize capital gain or loss upon the sale of our shares equal to the difference between: (a) the amount of cash plus the fair market value of any property received; and (b) the U.S. Holder's adjusted tax basis in such shares. This gain or loss generally will be capital gain or loss from U.S. sources, and will be long-term capital gain or loss if the U.S. Holder held its shares for more than 12 months. Generally, the net long-term capital gain of a non-corporate U.S. Holder from the sale of shares is subject to taxation at a top marginal rate of 15%. A Capital gain that is not long-term capital gain is taxed at ordinary income rates. The deductibility of capital losses is subject to certain limitations.

Passive Foreign Investment Companies

We will be a PFIC if, in any taxable year either: (a) 75% or more of our gross income consists of passive income; or (b) 50% or more of the value of our assets is attributable to assets that produce, or are held for the production of, passive income. Subject to certain limited exceptions, if we meet the gross income test or the asset test for a particular taxable year, our shares held by a U.S. Holder in that year will be treated as shares of a PFIC for that year and all subsequent years in the U.S. Holder's holding period, even if we fail to meet either test in a subsequent year.

If we were a PFIC in the future, gain realized by a U.S. Holder from the sale of PFIC Shares and certain dividends received on such shares would be subject to tax under the excess distribution regime, unless the U.S. Holder made one of the elections discussed below. Under the excess distribution regime, federal income tax on a U.S. Holder's gain from the sale of PFIC Shares would be calculated by allocating the gain rateably to each day the U.S. Holder held its shares. Gain allocated to years preceding the first year in which we were a PFIC in the U.S. Holder's holding period, if any, and gain allocated to the year of disposition would be treated as gain arising in the year of disposition and taxed as ordinary income. Gain allocated to all other years would be taxed at the highest tax rate in effect for each of those years. Interest for the late payment of tax would be calculated and added to the tax due for each of the PFIC Years, as if the tax was due and payable with the tax return filed for that year. A distribution that exceeds 125% of the average distributions received on PFIC Shares by a U.S. Holder during the 3 preceding taxable years (or, if shorter, the portion of the U.S. Holder's holding period before the taxable year) would be taxed in a similar manner.

A U.S. Holder may avoid taxation under the excess distribution regime by making a qualified electing fund ("QEF") election. For each year that we would meet the PFIC gross income test or asset test, an electing U.S. Holder would be required to include in gross income, its pro rata share of our net ordinary income and net capital gains, if any. The U.S. Holder's adjusted tax basis in our shares would be increased by the amount of such income inclusions. An actual distribution to the U.S. Holder out of such income generally would not be treated as a dividend and would decrease the U.S. Holder's adjusted tax basis in our shares. Gain realized from the sale of our shares covered by a QEF election would be taxed as a capital gain. U.S. Holders will be eligible to make QEF elections, only if we agree to provide to the U.S. Holders, which we do, the information they will need to comply with the QEF rules. Generally, a QEF election should be made by the due date of the U.S. Holder's tax return for the first taxable year in which the U.S. Holder held our shares that includes the close of our taxable year for which we met the PFIC gross income test or asset test. A QEF election is made on IRS Form 8621.

A U.S. Holder may also avoid taxation under the excess distribution regime by timely making a mark-to-market election. An electing U.S. Holder would include in gross income the increase in the value of its PFIC Shares during each of its taxable years and deduct from gross income the decrease in the value of its PFIC Shares during each of its taxable years. Amounts included in gross income or deducted from gross income by an electing U.S. Holder are treated as ordinary income and ordinary deductions from U.S. sources. Deductions for any year are limited to the amount by which the income inclusions of prior year's exceed the income deductions of prior years. Gain from the sale of PFIC Shares covered by an election is treated as ordinary income from U.S. sources while a loss is treated as an ordinary deduction from U.S. sources only to the extent of prior income inclusions. Losses in excess of such prior income inclusions are treated as capital losses from U.S. sources. A mark-to-market election is timely if it is made by the due date of the U.S. Holder's tax return for the first taxable year in which the U.S. Holder held our shares that includes the close of our taxable year for which we met the PFIC gross income test or asset test. A mark-to-market election is also made on IRS Form 8621.

As noted above, a PFIC is not a qualified foreign corporation and hence dividends received from a PFIC are not eligible for taxation at preferential long-term capital gain tax rates. Similarly, ordinary income included in the gross income of a U.S. Holder who has made a QEF election or a market-to-market election, and dividends received from corporations subject to such election, are not eligible for taxation at preferential long-term capital gain rates. The PFIC rules are extremely complex and could, if they apply, have significant, adverse effects on the taxation of dividends received and gains realized by a U.S. Holder. Accordingly, prospective U.S. Holders are strongly urged to consult their tax adviser concerning the potential application of these rules to their particular circumstances.

Controlled Foreign Corporation

Special rules apply to certain U.S. Holders that own stock in a foreign corporation that is classified as a "controlled foreign corporation" ("CFC"). We do not expect to be classified as a CFC. However, future ownership changes could cause us to become a CFC. Prospective U.S. Holders are urged to consult their tax advisor concerning the potential application of the CFC rules to their particular circumstances.

Information Reporting and Backup Withholding

United States information reporting and backup withholding requirements may apply with respect to distributions to U.S. Holders, or the payment of proceeds from the sale of shares, unless the U.S. Holder: (a) is an exempt recipient (including a corporation); (b) complies with certain requirements, including applicable certification requirements; or (c) is described in certain other categories of persons. The backup withholding tax rate is currently 28%. Any amounts withheld from a payment to a U.S. Holder under the backup withholding rules may be credited against any U.S. federal income tax liability of the U.S. Holder and may entitle the U.S. Holder to a refund.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

Not applicable.

I. Subsidiary Information

Refer to the notes to the consolidated financial statements under Item 17.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 12. Description of Securities Other Than Equity Securities

Effective October 1, 2019, we adopted a long-term incentive plan. Under this plan, our Company may grant share purchase options, restricted stock units, performance stock units or deferred share units to our directors, officers, employees and consultants up to an amount as determined by our company and will be no more than 10% of its outstanding common shares on a fully-diluted basis. The exercise price of the share purchase options will be determined by our Company and will be no less than market price on grant date.

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PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Management's Report on Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2023 and determined that they were not effective.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), we conducted an evaluation of the effectiveness of our internal control over financial reporting as of January 31, 2023 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our Company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of January 31, 2023, our Company determined that there were control deficiencies that constituted material weaknesses, as described below:

1. Due to the limited size of our finance team, there is no opportunity to implement review controls to ensure that complex accounting transactions have been properly accounted for. To remediate the material weakness, our Company will continue to obtain necessary external assistance to ensure that the performance of complex accounting issues can be performed accurately and on a timely basis.
2. Cut-off procedures were inadequate in ensuring that accounts payable and prepaid balances related to our research programs are recorded accurately. To remediate the material weakness, our Company will implement procedures to reconcile our estimates of progress of research projects with external research or manufacturing organizations.

Accordingly, our Company concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

As a result of the material weaknesses described above, management has concluded that our Company's internal control over financial reporting was not effective as of January 31, 2023 based on criteria established in Internal Control—Integrated Framework issued by COSO.

MNP, LLP, our independent registered public auditors, was not required to and has not issued an attestation report concerning the effectiveness of our internal control over financial reporting as of January 31, 2023 pursuant to temporary rules of the Securities and Exchange Commission that permit our Company to provide only management's report in this annual report.

Changes in Internal Controls

During the period ended January 31, 2023, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that none of our the members of our audit committee qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. Dr. Wolfgang Renz, Mr. Robert Metcalfe and Mr. Anthony Pullen are "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

Our Company has a formal audit committee which was formed in May 2010, but currently does not have a financial expert. Our audit committee consists of Dr. Ahmad Doroudian, Dr. Wolfgang Renz, Mr. Robert Metcalfe and Mr. Anthony Pullen. Financial information relating to quarterly reports was disseminated to all board members for review. The audited financial statements for the years ended January 31, 2023 and 2022 were provided to each member of the board in which any concerns by the members were directed to management and the auditors.

We believe that the members of our board of audit committee and our entire board of directors are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. We believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated any material revenues to date. In addition, we currently do not have nominating, compensation or audit committees or committees performing similar functions nor do we have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes the functions of such committees can be adequately performed by our board of directors.

Our Company has an audit committee charter which was adopted and approved by our board of directors on May 25, 2010.

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Item 16B. Code of Ethics

Effective April 20, 2011, our Company's board of directors adopted a code of business conduct and ethics that applies to, among other persons, members of our board of directors, our Company's officers including our president, chief executive officer and chief financial officer, employees, consultants and advisors. As adopted, our code of business conduct and ethics sets forth written standards that are designed to deter wrongdoing and to promote:

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
3. compliance with applicable governmental laws, rules and regulations;
4. the prompt internal reporting of violations of the code of business conduct and ethics to an appropriate person or persons identified in the code of business conduct and ethics; and
5. accountability for adherence to the code of business conduct and ethics.

Our code of business conduct and ethics requires, among other things, that all of our Company's senior officers commit to timely, accurate and consistent disclosure of information; that they maintain confidential information; and that they act with honesty and integrity.

In addition, our code of business conduct and ethics emphasizes that all employees, and particularly senior officers, have a responsibility for maintaining financial integrity within our Company, consistent with generally accepted accounting principles, and federal and state securities laws. Any senior officer who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to our Company. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our Company's code of business conduct and ethics by another.

Our code of business conduct and ethics was included as an exhibit to our annual report on Form 10-K filed with the SEC on May 11, 2011. We will provide a copy of the code of business conduct and ethics to any person without charge, upon request. Requests can be sent to: BetterLife Pharma Inc., 1275 West 6th Avenue, #300, Vancouver, British Columbia V6H 1A6.

Item 16C. Principal Accountant Fees and Services

The aggregate fees billed for the most recently completed fiscal year ended January 31, 2023 and for the fiscal year ended January 31, 2022 for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our quarterly reports on Form 10-Q, where applicable, and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended	
	January 31, 2023 $	**January 31, 2022 $**
Audit Fees	236,000	133,336
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	10,000	Nil
Total	246,000	133,336

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Not applicable.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

The following consolidated financial statements are filed as Exhibit 99.1 with this FORM 20-F. All of the financial information is presented in accordance with International Financial Reporting Standards.

- Consolidated Audited Financial Statements for the years ended January 31, 2023, 2022 and 2021.

Item 18. Financial Statements

Refer to Exhibit 99.1.

Item 19. Exhibits

Exhibit No.	Description of Exhibit
12.1	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
12.2	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
13.1	Certificate of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
13.2	Certificate of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
99.1	Consolidated Financial Statements for the years ended January 31, 2023, 2022 and 2021*
99.2	Management's Discussion and Analysis for the year ended January 31, 2023*

* Filed herewith

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on FORM 20-F and that it has duly caused and authorized the undersigned to sign this registration statement on its behalf.

BETTERLIFE PHARMA INC.

Date: May 29, 2023

/s/ Ahmad Doroudian
Ahmad Doroudian
Chief Executive Officer

EXHIBIT 12.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dr. Ahmad Doroudian, certify that:

1. I have reviewed this annual report on Form 20-F of BETTERLIFE PHARMA INC. (the "Company") for the fiscal year ended January 31, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 29, 2023

/s/ Ahmad Doroudian

Dr. Ahmad Doroudian
Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 12.2

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Moira Ong, certify that:

1. I have reviewed this annual report on Form 20-F of BETTERLIFE PHARMA INC. (the "Company") for the fiscal year ended January 31, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 29, 2023

/s/ Moira Ong

Moira Ong
Chief Financial Officer
(Principal Accounting Officer
and Principal Financial Officer)

EXHIBIT 13.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of BETTERLIFE PHARMA INC. (the "Company") on Form 20-F for the year ended January 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the

undersigned, Ahmad Doroudian, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 29, 2023

/s/ Ahmad Doroudian
Dr. Ahmad Doroudian
Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 13.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of BETTERLIFE PHARMA INC. (the "Company") on Form 20-F for the year ended January 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Moira Ong, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 29, 2023

/s/ Moira Ong
Moira Ong
Chief Financial Officer
(Principal Accounting Officer and Principal Financial Officer)

EXHIBIT 99.1

BETTERLIFE PHARMA INC.
Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of BetterLife Pharma Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of BetterLife Pharma Inc. as of January 31, 2023 and 2022, and the related consolidated statements of loss and other comprehensive loss, shareholders' (deficit) equity, and cash flows for each of the years in the three-year period ended January 31, 2023, and the related notes (collectively referred to as the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of January 31, 2023 and 2022, and the results of its consolidated operations and its consolidated cash flows for each of the years in the three-year period ended January 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 of the consolidated financial statements, the Company has not earned any revenue and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. This matter is also described in the "Critical Audit Matters" section of our report.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgment. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Going Concern Assessment

Critical Audit Matter Description

As described in note 1 to the consolidated financial statements, the consolidated financial statements of the Company are prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. As at January 31, 2023, the Company has not earned any revenue and has an accumulated deficit and expects to incur additional losses in the future. The ability of the Company to continue as a going concern is dependent on raising capital to fund its initial business plan and ultimately to attain profitable operations. Accordingly, the Company has determined that these factors raise substantial doubt as to the Company's ability to continue as a going concern for a period of one year from the end of the reporting period being January 31, 2023. Management intends to continue to fund its business by way of equity issuances as may be required, in order to satisfy the Company's obligations as they come due for at least one year from the end of the reporting period. However, the Company has not concluded that these plans alleviate the substantial doubt related to its ability to continue as a going concern. This matter is also described in the "Material Uncertainty Related to Going Concern" section of our report.

We determined the Company's ability to continue as a going concern is a critical audit matter due to the estimation and uncertainty regarding the Company's available capital and the risk of bias in management's judgments and assumptions in their determination.

Audit Response

We responded to this matter by performing procedures over management's assessment of the Company's ability to continue as a going concern. Our audit work in relation to this included, but was not restricted to, the following:

- We enquired of Company's management and assessed Company records to assess whether there are additional factors that contribute to the uncertainties disclosed.
- We assessed whether the Company's determination that there is substantial doubt about its ability to continue as a going concern was adequately disclosed in the consolidated financial statements.
- We evaluated the probability of management's plans for the Company to be able to achieve successful equity financings.
- We evaluated the probability that the Company will be able to reduce capital and operating expenditures, if required.
- We assessed management's plans in the context of other audit evidence obtained during the audit to determine whether it supported or contradicted the conclusion reached by management.

We have served as the Company's auditor since 2019.

MNP LLP

Vancouver, Canada

May 29, 2023

1021 West Hastings St, Suite 2200, Vancouver, BC, V6E
0C3
1.877.688.8408 T: 604.685.8408 F: 604.685.8594
MNP.ca

BETTERLIFE PHARMA INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	January 31, 2023 $	January 31, 2022 $
Assets		
Current assets		
Cash	8,307	173,513
Amounts receivable	17,196	324,993
Prepaids and other current assets	49,224	644,422
Total current assets	74,727	1,142,928
Non-current assets		
Property and equipment, net (Note 7)	-	18,435
Total assets	74,727	1,161,363
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	5,436,024	3,341,261
Due to related parties (Note 18)	964,261	144,867
Income tax payable (Note 19)	-	160,006
Financial guarantee liability (Notes 9 and 21(e))	667,042	218,780
Convertible debentures (Note 10)	-	237,880
Loans payable (Note 11)	80,000	40,000
Warrant liabilities (Note 13(a))	-	353
Total current liabilities	7,147,327	4,143,147
Non-current liabilities		
Financial guarantee liability (Notes 9 and 21(e))	440,170	864,515
Loans payable (Note 11)	-	34,559
Warrant liabilities (Note 13(b))	20,700	-
Total liabilities	7,608,197	5,042,221
Deficit		
Common shares (Note 12)	76,571,515	75,384,509
Common shares issuable (Note 12(d))	74,000	-
Reserves (Notes 13(c), 14 and 15)	24,581,942	23,655,647
Accumulated other comprehensive income	231,003	249,466
Accumulated deficit	(112,186,681)	(103,170,480)

Deficit attributable to shareholders	(10,728,221)	(3,880,858)
Non-controlling interests (Note 16)	3,194,751	-
Total deficit	(7,533,470)	(3,880,858)
Total liabilities and deficit	74,727	1,161,363

Nature of operations and going concern (Note 1), commitments and contingencies (Note 21) and events after the reporting date (Note 26)

Approved on behalf of the Board of Directors

"Ahmad Doroudian" Director

"Ralph Anthony Pullen" Director

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

BETTERLIFE PHARMA INC.
Consolidated Statements of Loss and Other Comprehensive Loss
(Expressed in Canadian dollars)

	Years Ended		
	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Expenses			
Amortization and depreciation of equipment and intangible assets (Notes 7 and 8)	18,435	18,436	157,760
Amortization of right-of-use assets (Note 9)	–	–	(69,849)
Consulting fees	3,529,884	1,045,539	1,982,846
Foreign exchange loss (gain)	203,212	238,206	(39,050)
General and administrative	280,467	425,865	1,743,415
Lease liability expense (Note 9)	–	–	479,164
Professional fees	895,379	879,054	1,447,202
Promotion and marketing	123,219	437,689	185,952
Repairs and maintenance	–	–	22,808
Research and development	2,677,286	5,420,634	284,700
Wages, salaries and employment expenses	1,732,771	1,742,402	1,720,419
Total expenses	9,460,653	10,207,825	7,915,367
Loss from operations	(9,460,653)	(10,207,825)	(7,915,367)
Other income (expenses)			
Accretion expense (Notes 10 and 11)	(55,687)	(6,584)	(33,054)
Change in unrealized gains (losses) on warrant liabilities (Notes 13(a) and 13(b))	5,362	131,250	(73,885)
Financial guarantee expense (Notes 9 and 21(e))	(23,917)	(1,224,522)	(182,200)
Gain on sale/abandonment of assets, net (Notes 4 and 5)	–	191,699	804,429
Interest expense	(11,491)	(51,761)	(7,046)
Interest income	–	–	265
(Loss) gain on debt modification (Note 10)	(197,205)	56,264	–
Loss on impairment of intangible assets (Note 8)	–	–	(12,116,908)
Other	18,136	26,933	(40,358)
Penalties recovery (expense) (Note 19)	94,973	(344,492)	–
Settlements and legal provisions, net (Notes 4, 18 and 21)	257,710	(563,470)	(120,000)
Unidentifiable assets acquired (Note 6(a))	–	–	(16,666,666)
Total other income (expenses)	87,881	(1,784,683)	(28,435,423)
Net loss before income taxes	(9,372,772)	(11,992,508)	(36,350,790)
Income tax expense (Note 19)	–	(166,666)	–
Net loss for the year	(9,372,772)	(12,159,174)	(36,350,790)

Other comprehensive income (loss) to be reclassified to profit and loss subsequently			
Foreign currency translation adjustment of foreign operations	(17,990)	139,819	(62,380)
Net comprehensive loss for the year	(9,390,762)	(12,019,355)	(36,413,170)
Net loss attributable to:			
Company's shareholders	(9,016,201)	(12,159,174)	(36,350,790)
Non-controlling interests (Note 16)	(356,571)	–	–
	(9,372,772)	(12,159,174)	(36,350,790)
Net comprehensive loss attributable to:			
Company's shareholders	(9,034,664)	(12,019,355)	(36,413,170)
Non-controlling interests (Note 16)	(356,098)	–	–
	(9,390,762)	(12,019,355)	(36,413,170)
Net loss per share, basic and diluted	(0.10)	(0.16)	(1.34)
Weighted average shares outstanding, basic and diluted	86,560,760	75,469,531	27,027,028

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

BETTERLIFE PHARMA INC.
Consolidated Statements of Shareholders' (Deficit) Equity
(Expressed in Canadian dollars)

	Common Shares		Common Shares Issuable	Reserves	Accumulated Other Comprehensive Income - Foreign Currency Translation	Deficit	Total Shareholders' Deficit	Non-Controlling Interests	Total
	Shares[(i)]	Amount $	$	$	$	$	$	$	$
Balance ─ January 31, 2020	17,208,112	37,519,448	–	19,625,602	172,027	(54,660,516)	2,656,561	–	2,656,561
Common shares issued for services (Note 12(m))	1,235,399	1,762,813	–	(411,006)	–	–	1,351,807	–	1,351,807
Common shares and warrants issued for cash, net (Notes 12(n))	716,725	1,185,794	–	103,549	–	–	1,289,343	–	1,289,343
Common shares issued for asset acquisitions (Notes 6, 12(m) and 12(r))	31,550,572	22,760,816	–	100,312	–	–	22,861,128	–	22,861,128
Common shares issued on exercise of special warrants and warrants (Notes 12(q) and 12(t))	646,000	339,600	–	(150,000)	–	–	189,600	–	189,600
Common shares issued on conversion of convertible debenture (Note 12(s))	89,034	102,389	–	–	–	–	102,389	–	102,389

Equity component of convertible debentures	–	–	–	12,671	–	–	12,671	–	12,671
Special warrants issued for cash, net (Note 12(q))	–	–	–	2,510,784	–	–	2,510,784	–	2,510,784
Share-based payments (Note 15)	–	–	–	826,632	–	–	826,632	–	826,632
Foreign currency translation adjustment of foreign operations	–	–	–	–	(62,380)	–	(62,380)	–	(62,380)
Net loss	–	–	–	–	–	(36,350,790)	(36,350,790)	–	(36,350,790)
Balance – January 31, 2021	51,445,842	63,670,860	–	22,618,544	109,647	(91,011,306)	(4,612,255)	–	(4,612,255)
Common shares issued for services (Note 12(e))	427,069	143,850	–	(28,350)	–	–	115,500	–	115,500
Common shares issued for settlement of accounts payable and accrued liabilities (Note 12(e))	23,724	40,331	–	–	–	–	40,331	–	40,331
Common shares and warrants issued for cash, net (Notes 12(f), 12(i), 12(j), 12(k) and 12(l))	25,760,190	11,465,829	–	1,159,891	–	–	12,625,720	–	12,625,720
Common shares issued, compensation options granted and cash paid as	1,212,115	(2,081,480)	–	896,465	–	–	(1,185,015)	–	(1,185,015)

share issue costs (Notes 12(f), 12(i) and 12(j))									
Common shares issued on exercise of special warrants (Note 12(g))	6,372,298	2,794,868	–	(2,794,868)	–	–	–	–	–
Issue costs of special warrants (Note 12(g))	–	(572,565)	–	572,565	–	–	–	–	–
Issue costs (Note 12(h))	–	(77,184)	–	–	–	–	(77,184)	–	(77,184)
Share-based payments (Notes 13(b) and 15)	–	–	–	1,231,400	–	–	1,231,400	–	1,231,400
Foreign currency translation adjustment of foreign operations	–	–	–	–	139,819	–	139,819	–	139,819
Net loss	–	–	–	–	–	(12,159,174)	(12,159,174)	–	(12,159,174)
Balance — January 31, 2022	85,241,238	75,384,509	–	23,655,647	249,466	(103,170,480)	(3,880,858)	–	(3,880,858)
Common shares issued for services (Note 12(a))	162,500	46,587	–	(16,850)	–	–	29,737	–	29,737
Common shares issued for cash (Note 12(c))	3,160,000	647,166	–	–	–	–	647,166	160,438	807,604
Subscriptions received (Note 12(d))	–	–	74,000	–	–	–	74,000	428,576	502,576
Common shares issued for conversion of debenture (Notes 12(b))	1,540,135	493,253	–	(205,125)	–	–	288,128	–	288,128
Debt modification (Note 10)	–	–	–	197,205	–	–	197,205	–	197,205

Share-based payments (Notes 13(b) and 15)	–	–	–	951,065	–	–	951,065	–	951,065
Foreign currency translation adjustment of foreign operations	–	–	–	–	(18,463)	–	(18,463)	473	(17,990)
Net loss	–	–	–	–	–	(9,016,201)	(9,016,201)	(356,571)	(9,372,772)
Reduction of controlling interest without change in control (Note 16)	–	–	–	–	–	–	–	2,961,835	2,961,835
Balance – January 31, 2023	90,103,873	76,571,515	74,000	24,581,942	231,003	(112,186,681)	(10,728,221)	3,194,751	(7,533,470)

(i) After the effect of the common share consolidation on a ten (10) old for one (1) new common share basis (Note 12).

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

BETTERLIFE PHARMA INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years Ended		
	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Operating activities			
Net loss	(9,372,772)	(12,159,174)	(36,350,790)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accretion expense	55,687	6,584	12,671
Amortization and depreciation of equipment and intangible assets	18,435	18,436	157,760
Amortization of right-of-use assets	–	–	185,053
Change in unrealized gains/losses on warrant liabilities	(5,362)	(131,250)	73,885
Common shares issued for services	29,737	115,500	1,351,808
Common shares of MedMelior issued for services	2,961,835	–	–
Financial guarantee liability	23,917	901,095	182,200
Foreign exchange loss (gain)	203,212	238,206	(39,050)
Gain on sale/abandonment of assets, net	–	–	(804,429)
Loss (gain) on debt modification	197,205	(56,264)	–
Loss on impairment of intangible assets	–	–	12,116,908
Other income – premium on loans payable	–	(50,949)	–
Share-based payments	951,065	1,231,400	826,632
Unidentifiable assets acquired	–	–	16,666,666
Changes in working capital accounts:			
Amounts receivable	310,007	181,029	(349,896)
Prepaids and other current assets	595,198	10,288	(269,998)
Accounts payable and accrued liabilities	2,212,993	(1,157,595)	(993,932)
Due to related parties	475,337	(516,793)	69,631
Income tax payable	(160,006)	166,667	–
Net cash used in operating activities	(1,503,512)	(11,202,820)	(7,164,881)
Investing activities			
Cash acquired through acquisitions	–	–	25,065
Purchase of property and equipment	–	–	(10,153)
Purchase of intangible assets	–	–	(86,462)
Net cash used in investing activities	–	–	(71,550)
Financing activities			
Lease payments	–	–	(499,929)
Proceeds from exercise of warrants	–	–	189,600
Proceeds from issuance of common shares and warrants, net	647,166	11,440,705	1,289,343
Proceeds from issuance of common shares and warrants by MedMelior	186,147	–	–
Proceeds from issuance of special warrants, net	–	–	2,510,630

Proceeds from loans payable	–	120,000	–
Proceeds from subscriptions received	74,000	–	–
Proceeds from subscriptions received by MedMelior	428,576	–	–
Repayment of (proceeds from) convertible debenture	–	(250,000)	600,000
Shelf prospectus transaction costs	–	(77,184)	–
Net cash provided by financing activities	1,335,889	11,233,521	4,089,644
Effects of exchange rate changes on cash	2,417	(11,910)	19,805
Net change in cash	(165,206)	18,791	(3,126,982)
Cash – beginning of year	173,513	154,722	3,281,704
Cash – end of year	8,307	173,513	154,722

Supplemental cash flow disclosures (Note 17)

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

1. Nature of Operations and Going Concern

BetterLife Pharma Inc. (the "Company") was incorporated in British Columbia under the Business Corporations Act on June 10, 2002 whose common shares are publicly traded on the Canadian Securities Exchange under the symbol "BETR" and on the OTCQB under the symbol "BETRF". The Company is a biopharmaceutical company engaged in the development of patented pharmaceuticals.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, no adjustments to the carrying value of the assets and liabilities have been made in these consolidated financial statements should the Company no longer be able to continue as a going concern. Any such adjustments could be material. As at January 31, 2023, the Company has not earned any revenue and has an accumulated deficit of $112,186,681. The continued operations of the Company are dependent on its ability to generate future cash flows through additional financing or commercialization. Management intends to continue to pursue additional financing through issuances of equity. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. These events or conditions indicate that a material uncertainty exists that casts substantial doubt on the Company's ability to continue as a going concern.

The head office and principal address of the Company is located at 1275 West 6th Avenue, #300, Vancouver, BC, Canada, V6H 1A6.

2. Significant Accounting Policies

(a) Basis of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the Board of Directors and authorized for issue on May 29, 2023.

(b) Basis of Measurement and Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value, and are presented in Canadian dollars.

(c) Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same period as the parent company, using consistent accounting policies. The

Company has consolidated the assets, liabilities, revenues and expenses of its subsidiaries after the elimination of inter-company transactions and balances.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

The consolidating entities include:

	% of ownership	Jurisdiction
BetterLife Pharma Inc.	Parent	Canada
MedMelior Inc. (acquired August 2020) (Note 6(b))	91%	Canada
Pivot Pharmaceuticals Manufacturing Corp. (divested December 2020) (Note 5(b))	100%	Canada
Blife Therapeutics Inc. (acquired May 2020) (Note 6(c))	100%	Canada
Altum S1M US Corp. (dissolved July 2022)	91%(1)	U.S.A.
BetterLife Pharma US Inc.	100%	U.S.A.
Pivot Naturals, LLC (divested February 2020) (Note 4)	100%	U.S.A.
Thrudermic, LLC (dissolved June 2022)	100%	U.S.A.
BetterLife Europe Pharmaceuticals AG (divested December 2021) (Note 5(a))	100%	Lichtenstein
Solmic AG (divested December 2021) (Note 5(a))	100%(2)	Switzerland
Altum Pharma (Australia) Pty Ltd.	91%(1)	Australia
Altum Pharmaceuticals (HK) Limited	91%(1)	Hong Kong
Altum Pharmaceuticals International Inc. (dissolved December 2020)	91%(1)	Barbados
Altum Pharmaceuticals Barbados Inc. (dissolved December 2020)	91%(1)	Barbados

(1) Wholly-owned subsidiaries of MedMelior Inc.
(2) Wholly-owned subsidiary of BetterLife Europe Pharmaceuticals AG

Non-controlling interests
Non-controlling interests ("NCI") represents the non-controlling shareholders' portion of the net assets and net loss of MedMelior Inc. and its wholly-owned subsidiaries. Changes to the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(d) Use of Estimates and Judgments

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

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and estimates that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

Research and development

Judgement is used to determine if expenditures for research and development will generate probable future economic benefits for capitalization. If an entity cannot demonstrate that probable future economic benefits can be generated, such expenditures are expensed.

2. Significant Accounting Policies (continued)

Impairment of non-financial assets

Property and equipment and definite life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The assessment of the existence of impairment indicators or indicators for subsequent reversals of impairment, which is performed at least annually, is based on various internal and external factors and involves management's judgment. Indefinite life intangible assets, including goodwill, are tested for impairment annually. For the purposes of determining the recoverable amount, assets are aggregated into cash generating units ("CGUs") based on an assessment of the lowest level which there are separately identifiable cash inflows. The determination of individual CGUs is based on management's judgement regarding shared infrastructure, geographical proximity and similar exposure to market risk. The recoverable amount is the greater of an asset's fair value less costs of disposal and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. An impairment loss is recognized for the value by which the asset's carrying value exceeds its recoverable amount.

Financial guarantee liability

The fair value of the financial guarantee liability is estimated using discounted cash flows and requires judgement on discount rate and probability of future losses.

Provision for legal liabilities

Judgement is used to estimate consideration required to settle present legal obligations and takes into account the risks and uncertainties surrounding the obligation and probability of future losses.

Functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Determination of share-based payments

The estimation of share-based payments (including warrants and stock options) requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of the grant. The Company makes estimates as to the volatility, the forfeiture rate, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Judgement is also used to estimate share-based payments for common shares issued by MedMelior, a private entity, for services and takes into account the fair value of services received or, if fair value of services received cannot be reliably estimated, the fair value of common shares.

Proceeds from issuance of units

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants (if applicable) according to the residual value.

2. Significant Accounting Policies (continued)

Business combinations
Determining whether an acquisition meets the definition of a business combination or represents an asset purchase requires judgment on a case-by-case basis. As outlined in IFRS 3 Business Combinations, the components of a business must include inputs, processes and outputs.

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

(e) Investments in Joint Arrangements

These consolidated financial statements incorporate the Company's share of the results of its joint venture, Pivot-Cartagena Joint Venture Inc. (dissolved October 2020) using the equity method of accounting (Note 20). Investments in joint ventures are recognized initially at cost and adjusted thereafter to include the Company's share of income or loss and comprehensive income on an after-tax basis. Dividends or distributions received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investments.

Investments are reviewed for impairment at each reporting period by comparing recoverable amount to carrying amount when there is an indication of impairment.

(f) Foreign Currency

The Company's presentation currency is the Canadian dollar. The functional currency of the parent entity, BetterLife Pharma Inc., and its subsidiaries, MedMelior Inc., Pivot Pharmaceuticals Manufacturing Corp. and Blife Therapeutics Inc., is the Canadian dollar. The functional currency of the U.S. subsidiaries, Altum S1M US Corp., BetterLife Pharma US Inc., Pivot Naturals, LLC and Thrudermic, LLC, is the U.S. dollar. The functional currency of the European subsidiaries, BetterLife Europe Pharmaceuticals AG and Solmic AG, is Swiss Francs. The functional currency of the Hong Kong subsidiary, Altum Pharmaceuticals (HK) Limited, is the Hong Kong dollar. The functional currency of the Australian subsidiary, Altum Pharma (Australia) Pty Ltd., is the Australian dollar. The functional currency of the Barbadian subsidiaries, Altum Pharmaceuticals International Inc. and Altum Pharmaceuticals Barbados Inc. is the U.S. dollar.

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of the Company and its subsidiaries at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in other than the functional currency are translated at the exchange rates in effect at the financial position date. The resulting exchange gains and losses are recognized in the consolidated statements of loss and other comprehensive loss. Non-monetary assets and liabilities denominated in other than the functional currency that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value is determined. Non-monetary items that are measured in terms of historical cost in other than the functional currency are translated using the exchange rate at the date of transaction.

2. Significant Accounting Policies (continued)

Foreign operations

For consolidation purposes, the assets and liabilities of foreign operations are translated to the presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rates of exchange during the period. All resulting exchange differences are recorded as other comprehensive income (loss) and accumulated in a separate component of shareholders' equity, described as foreign currency translation adjustment.

(g) Financial Instruments

Financial instruments - classification and measurement

Financial Assets

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

• Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company's amounts receivable, excluding tax receivables, are classified in this category.

• Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

• Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. The Company's cash is classified in this category.

Financial Liabilities

All financial liabilities are initially recognized at fair value plus or minus transactions costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL. The Company's accounts payable and accrued liabilities, due to related parties, financial guarantee liabilities, convertible debentures and loans payable are measured at amortized cost. The Company's warrant liabilities are measured at FVTPL.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Financials assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to

those assets are transferred. Financial liabilities are derecognized when the obligation is discharged, cancelled or expired.

2. Significant Accounting Policies (continued)

Financial instruments - impairment of financial assets

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

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

a. Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;

b. Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and

c. Level 3 – inputs for the asset or liability are not based on observable market data.

(h) Cash and Cash Equivalents

Cash in the consolidated statement of financial position is comprised of cash and short-term deposits which have an original maturity of three months or less or are readily convertible into a known amount of cash. At January 31, 2023 and 2022, the Company had no cash equivalents.

(i) Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recorded using the straight-line method to depreciate the cost of property and equipment the useful lives for which an asset is expected to be available for use as follows:

Computer equipment	2 years
Equipment	5 years
Leasehold improvements	5 to 10 years
Security system	5 years

(j) Intangible Assets

Intangible assets consist of costs incurred to acquire patents, unpatented technology and in-progress research and development programs. Development expenditures are capitalized as intangible assets only if the expenditure can be measured reliably, the process is technically and commercially feasible, future economic benefits are probable to the Company and the Company has sufficient resources to complete the development and use or sell the asset. Otherwise, it is recognized in the consolidated statements of loss and other comprehensive loss as incurred. Research costs are expensed in the period that they are incurred.

Intangible assets that are considered finite life assets are recorded at cost less accumulated amortization and accumulated impairment. Intangible assets that are considered indefinite life assets are recorded at cost less accumulated impairment.

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

2. Significant Accounting Policies (continued)

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of loss and comprehensive loss when the asset is derecognized.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the asset. Amortization is recorded using the straight-line method and is intended to amortize the intangible assets over their estimated useful lives:

Patents	10 years
Unpatented technology	10 years
License	5 years

(k) Impairment of Non-financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any). The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is determined to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the consolidated statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(l) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered

from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

2. Significant Accounting Policies (continued)

(m) Leases

A contract is a lease or contains a lease if it conveys the right to control the use of an asset for a time period in exchange for consideration. To identify a lease, the Company (1) considers whether an explicit or implicit asset is specified in the contract and (2) determines whether the Company obtains substantially all the economic benefits from the use of the underlying asset by assessing numerous factors, including but not limited to substitution rights and the right to determine how and for what purpose the asset is used.

When assessing the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. This judgment is based on factors such as contract rates compared to market rates, economic reasons, significance of leasehold improvements, termination and relocation costs, installation of specialized assets, residual value guarantees, and any sublease term.

The Company does not recognize lease assets and lease liabilities for low-value assets or short-term leases with a term of 12 months or less. The lease payments are recognized in expenses over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid. The Company elected to not separate non-lease components from lease components and to account for the non-lease and lease components as a single lease component.

The lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company estimates the incremental borrowing rate based on the lease term, collateral assumptions, and the economic environment in which the lease is denominated.

The lease liability is subsequently measured at amortized cost using the effective interest method and is remeasured when the expected lease payments change as a result of new assessments of contractual options and residual value guarantees.

(n) Equity

Common shares
Common shares represent the amount received on the issue of common shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. If common shares are issued when stock options and warrants are exercised, the common shares account also comprised the compensation costs previously recorded as reserves. In addition, if common shares were issued as consideration for the acquisition of a form of non-monetary assets, they are measured at their fair value according to the quoted price on the date of issuance.

Unit placements
Proceeds from unit placements are allocated between common shares and share purchase warrants issued using the residual method. Proceeds are first allocated to common shares according to the quoted price of existing common shares at the time of issuance and any residual in the proceeds is

allocated to warrants. If the warrant is exercised, the value attributed to the warrant is transferred to share capital.

The Company may modify the terms of warrants originally granted. When modifications exist, the Company will maintain the original fair value of the warrant.

2. Significant Accounting Policies (continued)

Other elements of equity
Reserves include charges related to stock options, compensation options and share purchase warrants until such stock options and share purchase warrants are exercised.

(o) Share-based Payments

The Company grants share purchase options, restricted stock units ("RSUs"), performance stock units ("PSUs") and deferred share units ("DSUs") under its Long-term Incentive Plan described in Note 15 to employees, consultants, directors and others providing similar services.

The fair value of share purchase options granted is measured at the grant date using an option pricing model. Subsequently, the fair value of share purchase options ultimately expected to vest is charged to operations over the vesting period. Share purchase options granted to third parties in exchange for goods or services are measured at the fair value of the goods or services received and charged to operations over the vesting period.

The fair values of RSUs, PSUs and DSUs granted are measured at grant dates share prices and the expense is allocated over the vesting period based on the best available estimate of the number of RSUs, PSUs and DSUs expected to vest. Non-market vesting conditions are included in assumptions about the number of RSUs, PSUs and DSUs that are expected to be issued or paid. Estimates are subsequently revised if there was any indication that the number of RSUs, PSUs or DSUs expected to vest differed from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if the number of RSUs, PSUs or DSUs that are ultimately issued or paid are different to that estimated on vesting. The accumulated charges related to RSUs, PSUs and DSUs recorded in reserves are transferred to common shares on issuance of common shares in payment of vested RSUs, PSUs and DSUs.

(p) Comprehensive Income (Loss)

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Financial assets that are measured at fair value through other comprehensive income will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the consolidated statement of financial position. Certain gains and losses on the translation of amounts between the functional and presentation currency of the Company are included in other comprehensive income or loss. Gains and losses on translation of foreign subsidiaries are initially recognized in other comprehensive income or loss. Accumulated other comprehensive income or loss on translation of foreign subsidiaries are reclassified from equity to deficit on disposal of the subsidiary.

(q) Income (Loss) Per Share

The Company presents the basic and diluted earnings or loss per share data for its common shares, calculated by dividing the earnings or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. For the years ended January 31, 2023, 2022 and 2021, basic net loss per share equals

diluted net loss per share as the Company incurred net losses during these years and the Company's stock options and warrants were anti-dilutive.

2. Significant Accounting Policies (continued)

(r) Taxes

Tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statements of income (loss) and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(s) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(t) Segment Reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the Chief Executive Officer and the Board of Directors. The allocation of resources between the different operating segments and the assessment of the performance of the operating segments is the responsibility of the Chief Executive Officer.

The Company has determined that it has only one operating segment: development and commercialization of patented, differentiated and premium quality pharmaceuticals.

3. New Accounting Pronouncements

The following new accounting standards and interpretations will be adopted by the Company subsequent to January 31, 2023.

(a) IAS 1 – Presentation of Financial Statements

IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted.

IAS 1 has also been amended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The Company does not expect the revisions to have a material impact on its consolidated financial statements.

(b) IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 has been amended to introduce the definition of an accounting estimate and include other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The Company does not expect the amendment to have a material impact on its consolidated financial statements.

The following new accounting standards and interpretations were adopted by the Company at February 1, 2022.

(c) IAS 16 – Property, Plant and Equipment (“IAS 16”)

IAS 16 has been amended to prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022. The amendment did not have a material impact on the Company’s consolidated financial statements.

(d) IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”)

IAS 37 has been amended to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for annual periods beginning on or after January 1, 2022. The amendment did not have a material impact on the Company’s consolidated financial statements.

(Expressed in Canadian dollars)

4. Settlement and Asset Abandonment

On February 13, 2020, the Company signed a Settlement Agreement and Release Agreement ("Settlement Agreement") with two of its former employees in Pivot Naturals, LLC ("Pivot Naturals") to settle the following legal matters:

- A demand for arbitration filed by these former employees before the American Arbitration Association alleging claims for breach of the written employment contracts, fraud, illegal retaliation in violation of California's whistleblower statute and tortious discharge in violation of public policy seeking, among other things, recovery of damages for breach of employment contracts, including recovery of severance amounts, damages for breach of alleged option rights, waiting time penalties, as well as other general and punitive damages on the tort claims; and
- A suit filed in British Columbia by the Company against the former employees for declaratory relief and related matters concerning control and use of the Company's assets.

Consideration for the Settlement Agreement included:

- Assignment of Pivot Naturals to Goodbuzz Inc. as follows: 1) 80% of membership interest on the initial closing date ("Initial Closing Date") (completed February 2020), and 2) 20% on a second closing date which is the earlier of April 30, 2020 and a date upon with certain conditions are met ("Second Closing Date") (completed April 2020).
- $264,660 (US$200,000) payment to be made as follows: 1) $165,413 (US$125,000) upon Initial Closing Date (completed in February 2020), and 2) $99,247 (US$75,000) upon Second Closing Date (completed in April 2020). A loss on settlement of legal claims of $264,660 has been recorded in the consolidated statement of comprehensive loss for the year ended January 31, 2020.
- Payment of the monthly lease due on the lease at 3595 Cadillac Avenue in California, U.S.A. for the months of February, March and April 2020 (completed in February 2020).

Together with the assignment of Pivot Naturals, the Company assigned its right-of-use ("ROU") asset related to its lease at 3595 Cadillac Avenue and extinguished accounts payable and accrued liabilities and obligations related to this lease. The following gain on abandonment of assets has been included in the consolidated statements of loss and other comprehensive loss:

Years Ended	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Cash	–	–	(347)
Right-of-use asset	–	–	–
Other assets	–	–	–
Accounts payable and accrued liabilities	–	–	22,391
Lease liability	–	–	1,459,785
Gain on abandonment of assets	–	–	1,481,829

The Company evaluated the assignment of Pivot Naturals in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, and determined that it did not meet the definition of discontinued operations.

(Expressed in Canadian dollars)

5. Sale/Abandonment of Assets

(a) On December 17, 2021, the Company signed a share contract with an unrelated third party (the "BetterLife Europe Purchaser") for the sale of 100% of the issued and outstanding common shares of BetterLife Europe Pharmaceuticals AG ("BetterLife Europe"). Pursuant to the sale of BetterLife Europe, the Company's Solmic patents, having a carrying amount of $nil, and Solmic AG, a subsidiary of BetterLife Europe, were transferred to the BetterLife Europe Purchaser and the Company is no longer pursuing commercialization of cannabis products in Europe. Consideration of the sale was $246,041 (€170,000) and a gain on sale of assets of $nil has been included in the consolidated statements of loss and other comprehensive loss during the year ended January 31, 2023 (2022 - $191,699; 2021 - $nil).

The Company evaluated the disposal of BetterLife Europe in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, and determined that it did not meet the definition of discontinued operations as it did not represent a separate major line of business.

(b) On October 2, 2020, the Company signed a share purchase agreement with an unrelated third party (the "Pivot Purchaser") for the sale of 100% of the issued and outstanding common shares of Pivot Pharmaceuticals Manufacturing Corp. ("Pivot"), a wholly-owned subsidiary. Pursuant to the sale of Pivot, the Company's lease of the manufacturing facility in Dollard-des-Ormeaux, Quebec, Canada (the "Facility") and its in-process Health Canada license application (the "Application") were transferred to the Pivot Purchaser and the Company is no longer pursuing the Application for processing of cannabis products in Canada.

Consideration included the following: 1) Pivot Purchaser settling Pivot and the Company's outstanding obligations with the lessor of the Facility of $135,879, 2) Cancellation of any amounts that Pivot or the Company may owe to the Pivot Purchaser, 3) Pivot Purchaser's assumption of the lease of the Facility as of September 1, 2020, 4) Cancellation by Pivot of obligations that the Pivot Purchaser owes to Pivot, 5) Pivot Purchaser's assumption of further obligations with respect to the Application, and 6) Pivot Purchaser's discontinuation of its lawsuit filed in the Province of Quebec against Pivot.

The following loss on sale of assets has been included in the consolidated statements of loss and other comprehensive loss:

Years Ended	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Deposit	–	–	(177,300)
Equipment	–	–	(469,695)
ROU asset	–	–	(3,066,586)
Lease liability	–	–	3,279,364
Other	–	–	2,707
Loss on sale of assets	–	–	(431,510)

The Company evaluated the disposal of Pivot in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, and determined that it did not meet the definition of discontinued operations.

(Expressed in Canadian dollars)

5. Sale/Abandonment of Assets (continued)

(c) During the year ended January 31, 2021, the Company shifted its strategic focus from manufacture and commercialization of cannabis/hemp products to research and development of pharmaceuticals and recorded a loss on abandonment of assets of $245,890 upon halting hemp-related activities in the U.S.A.

6. Asset Acquisitions

(a) On December 7, 2020, the Company entered into an asset purchase agreement with Nutraneeds LLC ("Nutraneeds") whereby the Company issued 13,333,333 common shares (Note 12(r)) to acquire intellectual property, including patented technology, in connection with the compounds known as 2-bromo-LSD.

The Company evaluated this acquisition in accordance with IFRS 3, Business Combinations to discern whether the assets acquired met the definition of a business. The Company concluded there were not a sufficient number of key processes obtained to develop the inputs into outputs, nor could such processes be easily obtained by the Company. The intangible assets acquired were determined to be too-early stage to meet the definition of intangible asset. Accordingly, the Company accounted for this transaction as an asset acquisition and measured the transaction using the fair value of the consideration paid with amount paid being recognized as an expense through comprehensive loss.

The consideration transferred, and assets and unidentifiable assets acquired are as follows:

Consideration paid:	$
Common shares issued	16,666,666
Net assets acquired:	$
Unidentifiable assets	16,666,666
Fair value of net assets acquired	16,666,666

During the year ended January 31, 2023, the Company recognized $nil in the consolidated statements of loss and other comprehensive loss on the write-off of fair value of net assets acquired (2022 - $nil; 2021 - $16,666,666).

(b) On August 31, 2020, the amalgamation between the Company, MedMelior Inc. ("MedMelior"), an entity with common officers and director with the Company, and 12167573 Canada Ltd., a wholly-owned subsidiary of the Company, was ratified by the Canadian Securities Exchange. Upon the close of the amalgamation, MedMelior became a wholly-owned subsidiary of the Company. Pursuant to the amalgamation, the Company issued 18,217,239 common shares to MedMelior shareholders (Note 12(p)) in exchange for MedMelior common shares. In addition, 856,880 stock options were issued to MedMelior's optionees (Note 15(c)) and 252,595 share purchase warrants to MedMelior's warrant-holders (Note 13(a)).

Pursuant to the acquisition of MedMelior, the Company acquired patents related to its MM-001 program and in-process research and development related to its MM-003 program (Note 8).

(Expressed in Canadian dollars)

6. Asset Acquisitions (continued)

The Company evaluated this acquisition in accordance with IFRS 3, Business Combinations to discern whether the assets and operations of MedMelior met the definition of a business. The Company concluded there were not a sufficient number of key processes obtained to develop the inputs into outputs, nor could such processes be easily obtained by the Company. Accordingly, the Company accounted for this transaction as an asset acquisition.

The consideration transferred, assets acquired and liabilities assumed recognized are as follows:

Consideration paid:	$
Common shares issued	6,094,149
Share purchase options granted	100,312
Share purchase warrants granted	57,718
Total purchase price	6,252,179

Net assets acquired:	$
Cash	24,825
Amounts receivable	31,451
Prepaid and other current assets	363,150
Equipment	44,553
Intangible assets	11,362,000
Advances	(1,507,979)
Accounts payable and accrued liabilities	(3,475,581)
Due to related parties	(590,240)
Net value of net assets acquired	6,252,179

(c) On May 7, 2020, the Company acquired 100% of the outstanding common shares of Blife Therapeutics Inc. (“Blife”) from MedMelior for $1. The Company evaluated this acquisition in accordance with IFRS 3, Business Combinations to discern whether the assets and operations of Blife met the definition of a business. The Company concluded there were not a sufficient number of key processes obtained to develop the inputs into outputs, nor could such processes be easily obtained by the Company. Accordingly, the Company accounted for this transaction as an asset acquisition.

Net assets acquired:	$
Cash	240
GST receivable	43
Net value of assets acquired	283

(Expressed in Canadian dollars)

7. Property and Equipment

Cost	Computer Equipment $	Equipment $	Leasehold Improvements $	Security System $	Total $
Balance, January 31, 2020	7,349	65,698	200,084	269,611	542,742
Addition	–	10,153	–	–	10,153
Acquisition (Note 6(b))	–	44,553	–	–	44,553
Impairment (Notes 5(b) and 5(c))	(7,349)	(77,098)	(200,084)	(269,611)	(554,143)
Effect of foreign exchange rate changes	–	1,247	–	–	1,247
Balance, January 31, 2023, 2022 and 2021	–	44,553	–	–	44,553

Accumulated Depreciation	Computer Equipment $	Equipment $	Leasehold Improvements $	Security System $	Total $
Balance, January 31, 2020	306	2,191	–	–	2,497
Depreciation	2,756	22,393	–	–	25,149
Impairment (Notes 5(b) and 5(c))	(3,062)	(16,926)	–	–	(19,988)
Effect of foreign exchange rate changes	–	24	–	–	24
Balance, January 31, 2021	–	7,682	–	–	7,682
Depreciation	–	18,436	–	–	18,436
Balance, January 31, 2022	–	26,118	–	–	26,118
Depreciation	–	18,435	–	–	18,435
Balance, January 31, 2023	–	44,553	–	–	44,553
Net book value, January 31, 2023	–	–	–	–	–
Net book value, January 31, 2022	–	18,435	–	–	18,435
Net book value, January 31, 2021	–	36,871	–	–	36,871

During the year ended January 31, 2021, pursuant to signing of the share purchase agreement for the sale of Pivot (Note 5(b)) and the shift in strategic focus (Note 5(c)), the Company impaired property and equipment totaling $534,155, which has been recorded within gain on sale/abandonment of assets, net in the consolidated statements of loss and other comprehensive loss.

(Expressed in Canadian dollars)

8. Intangible Assets

Cost	MM-001 Patents and IPR&D $	MM-003 IPR&D $	BiPhasix License $	Thrudermic Non-Patented Technology $	Solmic Patents $	Total $
Balance, January 31, 2020	–	–	319,174	830,000	–	1,149,174
Addition	–	–	–	–	86,462	86,462
Acquisition (Note 6(b))	9,159,000	2,203,000	–	–	–	11,362,000
Impairment (Notes 8(b), 8(d), 8(f) and 8(g))	(9,159,000)	(2,203,000)	(319,174)	(830,000)	(86,462)	(12,597,636)
Balance, January 31, 2023, 2022 and 2021	–	–	–	–	–	–
Accumulated Amortization and Impairment Losses						
Balance, January 31, 2020	–	–	190,792	157,325	–	348,117
Amortization	–	–	59,681	62,079	10,851	132,611
Impairment (Notes 8(b), 8(d), 8(f) and 8(g))	–	–	(250,473)	(219,404)	(10,851)	(480,728)
Balance, January 31, 2023, 2022 and 2021	–	–	–	–	–	–
Net book value, January 31, 2023, 2022 and 2021	–	–	–	–	–	–

Pursuant to the asset purchase agreement with Nutraneeds (Note 6(a)), the Company acquired the following patent:

(a) BETR-001: BETR-001 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 major depressive disorder, anxiety disorder and neuropathic pain and other neuro-psychiatric and neurological disorders.

Upon the acquisition of MedMelior on August 31, 2020 (Note 6(b)), the BiPhasix license, representing an intercompany transaction, has been eliminated in these consolidated financial statements. Also pursuant to the acquisition, the Company acquired the following in-progress research and development (“IPR&D”) programs and patents:

(b) MM-001: MM-001 is a topical Interferon α2b (“IFNα2b”) product for the treatment of Human Papiloma Virus (“HPV”) infection that can cause cervical cancer. In 2017, MedMelior entered into a patent license agreement with Altum-Avro Pharma Partnership (“AAPP”) to license the development of the technology involving the formation of biphasic lipid vesicles for use as a vehicle

for administration of a biologically active material ("BiPhasix™ Technology"). The BiPhasix™ Technology is a novel encapsulation and delivery platform technology. BiPhasix-encapsulated interferon IFNα2b for use in treatment of HPV-cervical dysplasia. Consideration of the patent license agreement included:

8. Intangible Assets (continued)

- Five and a quarter percent (5.25%) of the inventory of any and all product produced by MedMelior to be paid in kind to AAPP.
- Milestone payments:
    - $3 million upon initiation of the first Phase 3 trial in any global territory except for eastern European territories,
    - $5 million upon first submission of New Drug Application or similar for approval in any global territory except for eastern European territories, and
    - $10 million upon first commercial sale in any global territory except for eastern European territories.
- Royalties:
    - 8% on annual net sales up to $50 million,
    - 10% on annual net sales on the next $25 million, and
    - 12.5% on annual net sales above $75 million.
- 30% of any upfront payments that MedMelior receives from a third person in respect of development, licensing, manufacturing or distribution rights.

Being in such early stage in development, the Company was not able to reasonably estimate recoverable amount for purposes of its analysis on impairment of long-lived assets and recorded an impairment of its MM-001 patents and IPR&D during the year ended January 31, 2021. Should this impairment loss subsequently reverse in the future, the carrying amount of MM-001 will be increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount originally recognized.

(c) AP-002: AP-002 is an oral gallium-based novel small molecule. The finished drug product is an enteric protected tablet for oral administration. In December 2022, the Company formally ceased the AP-002 development program.

(d) MM-003: MM-003 is a patent pending IFN α2b inhalation formulation for the treatment of viral infections. The MM-003 program is in pre-clinical stage of development. Being in such early stage in development, the Company was not able to reasonably estimate recoverable amount for purposes of its analysis on impairment of long-lived assets and recorded an impairment of its MM-003 IPR&D during the year ended January 31, 2021. Should this impairment loss subsequently reverse in the future, the carrying amount of MM-003 will be increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount originally recognized.

Other intangible assets include:

(e) BETR-002: BETR-002 is a formulation of a derivative of dihydrohonokiol, a known anti-anxiety compound, with potential for treatment of benzodiazepine dependency, anxiety and spasticity.

(f) Thrudermic non-patented technology: On March 2, 2018, the Company entered into an exchange agreement with Thrudermic, LLC (“Thrudermic”) and the members of Thrudermic whereby the Company paid US$1.00 for the issued and outstanding units of Thrudermic and issued 50,000 common shares to the members of Thrudermic for their intellectual property portfolio, including

unpatented technology, goodwill and know-how in connection with the Thrudermic transdermal nanotechnology.

8. Intangible Assets (continued)

The Company performed an assessment to determine if there were any indications of impairment of its intangible assets and concluded that factors indicated impairment within its Thrudermic non-patented technology. With the disposal of Pivot (Note 5(b)) and the shift in strategic focus (Note 5(c)), the Company exited the cannabis manufacturing industry. The Company reduced to $nil its expectations of cash flows from the use of the Thrudermic non-patented technology in manufacture and sale of cannabis products and recorded an impairment loss on its Thrudermic non-patented technology of $610,596 during the year ended January 31, 2021.

(g) Solmic patents: On October 22, 2019, the Company entered into a contract to acquire Solmic AG. Consideration for the acquisition was CHF 10,000. In connection with the acquisition, the Company entered into an assignment agreement to assign a patented technology called “Solmic” for payments totaling EUR 50,000.

The Company evaluated this acquisition in accordance with IFRS 3, Business Combinations to discern whether the assets and operations of Solmic AG met the definition of a business. The Company concluded there were not a sufficient number of key processes obtained to develop the inputs into outputs, nor could such processes be easily obtained by the Company. Accordingly, the Company has accounted for this transaction as an asset acquisition.

The Company performed an assessment to determine if there were any indications of impairment of its intangible assets and concluded that factors indicated impairment within its Solmic patents. With the disposal of Pivot (Note 5(b)) and the shift in strategic focus (Note 5(c)), the Company exited the cannabis manufacturing industry. The Company reduced to $nil its expectations of cash flows from the use of the Solmic patents in manufacture and sale of cannabis products and recorded an impairment loss on its Solmic patents of $75,611 during the year ended January 31, 2021.

Pursuant to the disposal of BetterLife Europe (Note 5(a)), the Solmic patents were assigned to the BetterLife Europe Purchaser.

9. Leases

As at January 31, 2023, the Company does not have any leases. In prior years, leases of the Company related to building leases.

During the year ended January 31, 2021, the Company’s lease at 3595 Cadillac Avenue in California, U.S.A was assigned together with the assignment of Pivot Naturals (Note 4). The related lease liability was extinguished during the year ended January 31, 2021 and a gain on extinguishment of $1,459,785 has been recorded within gain on sale/abandonment of assets, net on the consolidated statements of loss and other comprehensive loss.

During the year ended January 31, 2021, the Company’s lease at 285-295 Kesmark Street in Quebec, Canada was assigned together with the sale of Pivot (Note 5(b)). A gain on extinguishment of the lease liability, net of loss on disposal of the ROU asset, totaling $212,777 has been recorded within gain on sale/abandonment of assets, net on the consolidated statements of loss and other comprehensive loss during the year ended January 31, 2021. The Company remains a guarantor on the lease at 285-295 Kesmark Street, which has monthly lease payments up to approximately $53,700, until the lease expiry date of April 30, 2025 pursuant

to which it has recorded a financial guarantee liability of $1,107,212 (January 31, 2022 - $1,083,295) (Note 21(e)).

(Expressed in Canadian dollars)

9. Leases (continued)

	Right-of-use Assets $
Balance, January 31, 2020	3,251,638
Disposal – ROU asset	(3,330,947)
Disposal – Accumulated amortization on ROU asset	264,362
Amortization on ROU asset	(185,053)
Balance, January 31, 2023, 2022 and 2021	–

During the year ended January 31, 2023, the Company recorded $nil (2022 - $nil; 2021 - $254,902) of sub-lease income related to the sub-lease of 285 Kesmark Street, which has been offset against amortization on ROU asset in the consolidated statements of loss and other comprehensive loss.

	Lease Liability $
Balance, January 31, 2020	4,702,292
Disposal	(4,739,149)
Lease liability expense	479,164
Lease payments	(499,929)
Effect of foreign exchange rate changes	57,622
Balance, January 31, 2023, 2022 and 2021	–

10. Convertible Debentures

	Convertible Debentures $
Balance, January 31, 2020	–
Proceeds from issuances of convertible debentures	800,000
Transfer of conversion component to equity	(12,671)
Repayment	(200,000)
Conversion to common shares	(100,000)
Accretion	12,671
Balance, January 31, 2021	500,000
Repayment	(250,000)
Debt modification	(56,264)
Accretion and interest	44,144

Balance, January 31, 2022	237,880
Debt modification	197,205
Accretion and interest	50,247
Conversion to common shares (Note 12(b))	(485,332)
Balance, January 31, 2023	–

(Expressed in Canadian dollars)

10. Convertible Debenture (continued)

On September 4, 2020, the Company issued an unsecured convertible debenture with a non-related party for $500,000. The debenture bore interest at 8% per annum, had an original maturity date of December 3, 2020 and was convertible into common shares at a conversion price equal to $1.15 per common share. On April 1, 2021, the maturity date was amended to May 3, 2022. On June 3, 2021, $250,000 of the note was repaid. On October 31, 2022, the conversion price was amended to $0.20 per common share and a loss on debt modification of $197,205 was recorded. On the same date, principal amount and accrued interest of convertible debenture totaling $308,028 was converted into 1,540,135 common shares (Note 12(b)) at a conversion price of $0.20.

On September 23, 2020, the Company issued an unsecured convertible debenture with a non-related party for $200,000. The debenture bore interest at 8% per annum and had a maturity date of December 22, 2020. The note was convertible into common shares at a conversion price equal to $1.15 per common share. The principal and accrued interest was repaid in full on November 1, 2020.

On September 25, 2020, the Company issued an unsecured convertible debenture with a non-related party for $100,000. The debenture bore interest at 8% per annum and had a maturity date of December 24, 2020. The note was convertible into common shares at a conversion price equal to $1.15 per common share. On January 14, 2021, 89,034 common shares were issued pursuant to the conversion of the outstanding principal and accrued interest on this convertible debenture totalling $102,389 (Note 12(s)).

The convertible debentures contained no financial covenants. The liability components of the convertible debentures were determined by using discounted cash flows to measure the fair values of similar liabilities that exclude convertibility features. Accretion expense on convertible debentures for the year ended January 31, 2023 was $5,834 (2022 - $1,076; 2021 - $12,671). As at January 31, 2022 and 2021, accrued interest of $43,068 and $16,329, respectively, was included in convertible debenture. As at January 31, 2023, there is no balance of convertible debenture and accrued interest.

11. Loans Payable

	Loans Payable $	Current $	Long-term $
Balance, January 31, 2021 and 2020	–	–	–
Proceeds from loans payable	120,000		
Premium on loans payable	(50,949)		
Accretion	5,508		
Balance, January 31, 2022	74,559	40,000	34,559
Accretion	5,441		
Balance, January 31, 2023	80,000	80,000	–

In February 2021, the Company and its subsidiary, MedMelior, each entered into Canada Emergency Business Account (“CEBA”) term loan agreements for $60,000 with an initial expiry date of December 31, 2022 (amended to December 31, 2023) and interest rate of nil% per annum during this initial term. The CEBA term

loan agreements also provide for an extended maturity date of December 31, 2025 and interest rate of 5% per annum during the extended term. The Company recognized $nil (2022 - $50,949 including $40,000 forgivable portion; 2021 - $nil) of premium from loans payable included in other on the consolidated statements of loss and other comprehensive loss for the year ended January 31, 2023.

12. Common Shares

Authorized: Unlimited number of common shares without par value

In June 2020, the Company effected a consolidation of its issued and outstanding common shares on a ten (10) old for one (1) new common share. All common share figures and references are retrospectively adjusted.

During the year ended January 31, 2023:

(a) The Company issued 10,000 common shares, with fair value totaling $16,850, to a third party pursuant to vesting of restricted stock units (Note 15(a)) and 152,500 common shares, with fair value of $29,737 to a third party for services rendered.

(b) In October 2022, the Company issued 1,540,135 common shares pursuant to the conversion of principal and accrued interest of convertible debenture (Note 10).

(c) In October and December 2022, the Company issued, pursuant to a non-brokered private placement, 3,160,000 common shares at price of $0.20 (US$0.15) per share for gross proceeds of $647,166 (US$474,000).

(d) The Company received subscription proceeds totaling $74,000 from its Chief Executive Officer (Note 18).

During the year ended January 31, 2022:

(e) The Company issued 15,000 common shares, with fair value totaling $28,350, to a third party pursuant to vesting of restricted stock units (Note 15(a)), 23,724 common shares, with fair value of $40,331, as settlement of amounts payable and 412,069 common shares, with fair values of $115,500, to third parties for services rendered.

(f) In February and March 2021, the Company issued, pursuant to a non-brokered private placement, 1,779,833 common shares at price of $1.40 per share for gross proceeds of $2,491,766. Share issue costs consisted of issuances of 210,771 common shares with fair value of $287,413 and other transaction costs of $30,477.

(g) On April 3, 2021, 5,589,735 special warrants were exercised pursuant to which the Company issued 6,372,298 common shares, valued at $2,794,868, and 6,372,298 warrants with an exercise price of $0.60 and expiry date of December 1, 2023. Pursuant to the exercise, $572,565 of issue costs related to the special warrants have been reclassified from reserves into common shares on the consolidated statements of shareholders' deficit.

(Expressed in Canadian dollars)

12. Common Shares (continued)

The following table summarizes the continuity of special warrants:

	Number of Special Warrants	Exercised Into Common Shares	Exercised Into Warrants
Balance, January 31, 2020	–	–	–
Issued (Note 12(q))	5,889,735	–	–
Exercised into 1.10 common shares and warrants (Note 12(q))	(300,000)	330,000	330,000
Balance, January 31, 2021	5,589,735	330,000	330,000
Exercised into 1.14 common shares and warrants	(5,589,735)	6,372,298	6,372,298
Balance, January 31, 2023 and 2022	–	6,702,298	6,702,298

(h) On April 26, 2021, the Company filed and obtained a receipt for a final base shelf prospectus (the "Shelf Prospectus") filed with the securities regulatory authorities in British Columbia, Alberta and Ontario, Canada. The Shelf Prospectus is valid for a 25-month period, during which time the Company may issue an aggregate offering amount of up to $100 million of common shares, preferred shares, warrants, subscription receipts, units and debt securities (the "Securities") in amounts and at prices on the terms based on market conditions at the time of sale and set forth in an accompanying prospectus supplement ("Prospectus Supplement"). Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of Securities may be used for general corporate and working capital requirements, funding product program costs, or for other corporate purposes. Each Prospectus Supplement will contain specific information concerning the use of proceeds from that sale of the Securities. There is no certainty that any Securities will be offered or sold under the Shelf Prospectus within the 25-month period. During the year ended January 31, 2022, the Company incurred $77,184 of costs related to the filing of the Shelf Prospectus.

(i) On May 14, 2021, the Company issued, pursuant to a non-brokered private placement, 1,142,857 common shares at price of US$0.70 per share for gross proceeds of $972,000 (US$800,000). Share issue costs consisted of issuance of 311,689 common shares with fair value of $168,312 and other transaction costs of $38,637.

(j) On May 28, 2021, the Company closed on a bought-deal public offering and issued, under the Shelf Prospectus (Note 12(h)), 15,812,500 units at price of $0.40 per unit for gross proceeds of $6,325,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of $0.50 and expiring of May 28, 2021. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of $395,313 allocated to the warrants.

Share issue costs totaling $1,673,703 consisted of the following: 1,265,000 compensation options with fair value of $644,629 (Note 14), 689,655 common shares with fair value of $268,965, agent’s fee of $506,000 and other transaction costs of $254,109. Compensation options entitle the holder to purchase one unit, consisting of one common share and one share purchase warrant with exercise price of $0.50 and expiry of May 28, 2024, at an exercise price of $0.40 per unit and expires on May

28, 2024. Fair values of the compensation options were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the compensation options.

12. Common Shares (continued)

(k) On June 7, 2021, the Company closed on a marketed public offering and issued, under the Shelf Prospectus (Note 12(h)), 6,525,000 units at price of $0.40 per unit for gross proceeds of $2,610,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of $0.50 and expiring of May 28, 2021. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of $685,125 allocated to the warrants.

Share issue costs totaling $556,698 consisted of the following: 652,750 compensation options with fair value of $227,612 (Note 14), agent's fee of $261,000 and other transaction costs of $68,086. Compensation options entitle the holder to purchase one unit, consisting of one common share and one share purchase warrant with exercise price of $0.50 and expiry of May 28, 2024, at an exercise price of $0.40 per unit and expires on May 28, 2024. Fair values of the compensation options were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the compensation options.

(l) On June 25, 2021, the Company closed on a partial exercise of the over-allotment option in conjunction with its marketed public offering (Note 12(k)) and issued, under the Shelf Prospectus (Note 12(h)), 500,000 units at price of $0.40 per unit and 478,750 share purchase warrants at a price of $0.0563 per share purchase warrant for gross proceeds of $226,954. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of $0.50 and expiring of May 28, 2021. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of $52,500 allocated to the warrants. Each share purchase warrant issued entitles the holder to purchase one common share at an exercise price of $0.50 and expires on May 28, 2021.

Share issue costs totaling $50,920 consisted of 50,000 compensation options with fair value of $17,405 (Note 14) entitling the holder to purchase one unit, consisting of one common share and one share purchase warrant with exercise price of $0.50 and expiry of May 28, 2024, at an exercise price of $0.40 per unit and expires on May 28, 2024, 47,875 compensation options with fair value of $6,819 (Note 14) entitling the holder to purchase one common share at an exercise price of $0.50 per share and expires on May 28, 2024, agent's fee of $22,696 and other transaction costs of $4,000. Fair values of the compensation options were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the compensation options.

During the year ended January 31, 2021:

(m) The Company issued 94,206 common shares, with fair value totaling $98,968, pursuant to the termination of employment agreements, 841,526 common shares with fair value of $1,253,045, to third parties for services rendered and 3,000 common shares with fair value of $5,550 to a director for services rendered (Note 18). Fair values of services were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company also issued 296,667 common shares valued at $405,250 to former officers, a former director and a third party pursuant to vesting of restricted and performance stock units (Notes 15(a), 15(b) and 18).

12. Common Shares (continued)

(n) In July and August 2020, the Company issued 716,725 units, consisting of one common share and one half of one share purchase warrant, at price of $1.90 per unit for gross proceeds of $1,361,778. Each share purchase warrant entitles the holder to purchase one common share at a price of $2.30 per share and has an expiry term of two (2) years. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of $nil allocated to the warrants.

(o) Pursuant to the private placement in July and August 2020, finders' fees consisted of cash payments of $72,434 and issuance of 54,142 share purchase warrants, valued at $103,550, entitling the holders to purchase one common share at a price of $2.30 per share and with an expiry term of two (2) years. Fair values of the agent warrants were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model in order to value the warrants.

(p) On September 4, 2020, 18,217,239 common shares, with fair value of $6,094,150, were issued pursuant to the amalgamation agreement with MedMelior (Note 6(b)).

(q) On December 2, 2020, the Company closed a private placement offering of special warrants of the Company, pursuant to which the Company issued 5,889,735 special warrants at a price of $0.50 per special warrant, for aggregate gross proceeds of $2,944,868 (the "Offering"). Each special warrant is exercisable, for no additional consideration, into one unit of the Company, with each unit consisting of one common share and one common share purchase warrant, entitling the holder thereof to acquire one common share at an exercise price of $0.60 and expiry date of December 1, 2023.

All unexercised special warrants are automatically exercised on the day that is the earlier of (i) April 3, 2021, and (ii) as soon as reasonably practicable, and in any event no later than the third business day, after a receipt is issued for a final prospectus qualifying the distribution of the units underlying the special warrants and the units underlying the compensation options granted to the agents.

In connection with the Offering, the Company paid an agent's fee consisting of the following: 1) cash fee equal to 8.0% of the gross proceeds from the Offering, and 2) 471,178 compensation options, valued at $138,175 (Note 14) equal to 8.0% of the total number of special warrants sold under the Offering at an exercise price of $0.50 and expiry of 36 months. Other transaction costs totaled $434,237.

The Company will prepare and file with each of the securities regulatory authorities in each of the provinces of Canada, except Quebec, in which the special warrants are sold and obtain a receipt for a preliminary short form prospectus and a final short form prospectus (the "Final Prospectus"), qualifying the distribution of the units underlying the special warrants and the compensation options, in compliance with applicable securities law, within forty (40) days from December 2, 2020 (not completed). In the event that the Company has not received a receipt for the Final Prospectus within forty (40) days, each unexercised special warrant will thereafter entitle the holder to receive upon exercise, at no additional consideration, one-and-one-tenth (1.10) Unit (instead of one Unit) and thereafter at the end of each additional thirty (30) day period, each special warrant will be exercisable for an additional 0.02 of a unit.

On January 18, 2021, 300,000 special warrants were exercised pursuant to which the Company issued 330,000 common shares, valued at $150,000, and 330,000 share purchase warrants with an exercise price of $0.60 and expiry date of December 1, 2023.

12. Common Shares (continued)

On April 3, 2021, all remaining outstanding special warrants were automatically exercised into 1.14 units (Note 12(g)).

(r) On December 18, 2020, 13,333,333 common shares, with fair value of $16,666,666, were issued pursuant to the asset purchase agreement with Nutraneeds (Note 6(a)).

(s) On January 14, 2021, 89,034 common shares were issued pursuant to conversion of principal and accrued interest of convertible debenture totaling $102,389 (Note 10).

(t) On January 18, 2021, 316,000 common shares were issued pursuant to the exercise of share purchase warrants (Note 13(c)) for gross proceeds of $189,600.

13. Share Purchase Warrants

(a) Warrant liabilities

In connection with the asset acquisition (Note 6(b)), 252,595 share purchase warrants were issued with exercise prices denominated in US dollars. When non-compensatory warrants have an exercise price denominated in a currency which is different from the functional currency of the Company (Canadian dollar), the warrants are treated as financial liabilities. These warrants are therefore classified as financial liabilities with changes in fair value recognized in the consolidated statements of loss and other comprehensive loss. The warrant liabilities are measured using Level 3 inputs within the fair value hierarchy.

The following table summarizes the continuity of liability-classified common share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price US$	Liability Amount $
Balance, January 31, 2020	–	–	–
Granted pursuant to acquisition (Note 6(b))	252,595	1.44	57,718
Change in fair value	–	–	73,885
Balance, January 31, 2021	252,595	1.44	131,603
Change in fair value	–	–	(131,250)
Balance, January 31, 2022	252,595	1.44	353
Change in fair value	–	–	(353)
Expired	(252,595)	(1.44)	–
Balance, January 31, 2023	–	–	–

At January 31, 2023, there were no liability-classified share purchase warrants outstanding.

13. Share Purchase Warrants (continued)

(b) Warrant liabilities of MedMelior

At January 31, 2023, MedMelior has 96,667 share purchase warrants with exercise prices denominated in U.S. dollars. When non-compensatory warrants have an exercise price denominated in a currency which is different from the functional currency of MedMelior (Canadian dollar), the warrants are treated as financial liabilities. These warrants are therefore classified as financial liabilities with changes in fair value recognized in the consolidated statements of loss and other comprehensive loss. The warrant liabilities are measured using Level 3 inputs within the fair value hierarchy.

The following table summarizes the continuity of liability-classified share purchase warrants of MedMelior:

	Number of Warrants	Weighted Average Exercise Price US$	Liability Amount $
Balance, January 31, 2022, 2021 and 2020	–	–	–
Granted (Note 16)	96,667	1.25	25,709
Change in fair value	–	–	(5,009)
Balance, January 31, 2023	96,667	1.25	20,700

At January 31, 2023, the following liability-classified share purchase warrants of MedMelior were outstanding:

Number of Warrants	Exercise Price US$	Expiry Date	Weighted average remaining contractual life (years)
96,667	1.25	June 9, 2024	1.36

The fair value of warrant liabilities at January 31, 2023 was determined using the Black-Scholes option pricing model, using the following assumptions:

- Risk free interest rate: 3.97%
- Volatility: 90%
- Market price of common shares on valuation date: US$0.67
- Expected dividends: Nil%
- Expected life: 1.36 years
- Exercise price: US$1.25

(Expressed in Canadian dollars)

13. Share Purchase Warrants (continued)

(c) Equity-classified warrants

The following table summarizes the continuity of equity-classified share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price $
Balance, January 31, 2020	7,947,892	2.94
Granted (Notes 12(n), 12(o) and 12(q))	742,504	1.54
Exercised (Note 12(t))	(316,000)	(0.60)
Balance, January 31, 2021	8,374,396	2.90
Granted (Notes 12(g), 12(j), 12(k) and 12(l))	30,126,643	0.52
Expired	(7,241,912)	(2.98)
Balance, January 31, 2022	31,259,127	0.59
Expired	(1,118,484)	(2.43)
Balance, January 31, 2023	30,140,643	0.52

During the year ended January 31, 2023, the Company did not issue any share purchase warrants to third parties for services (2022 – 438,095 valued at $239,002; 2021 – nil).

On May 7, 2020, the Company amended the exercise price of the following outstanding warrants that were issued pursuant to private placements completed in 2019: 1,386,800 warrants issued on May 30, 2019 and expiring on May 29, 2021, 4,613,200 warrants issued on May 15, 2019 and expiring on May 14, 2021 and 695,000 warrants issued on April 8, 2019 and expiring on March 16, 2022. The exercise prices of these warrants were amended to $2.50 per warrant. Previous exercise prices were $3.00 and $3.50.

At January 31, 2023, the following equity-classified share purchase warrants were outstanding:

Number of Warrants	Exercise Price $	Expiry Date
200,000	1.21	March 28, 2023
238,095	0.27	September 26, 2023
6,386,298	0.60	December 1, 2023
23,316,250	0.50	May 28, 2024
30,140,643		

The fair values of equity-classified warrants issued pursuant to the Company's financings (Notes 12(j), 12(k) and 12(l)) were estimated using the residual method. The fair values of equity-classified warrants issued pursuant to the exercise of special warrants (Note 12(g)) were estimated using the residual value method and

allocated a fair value of $nil. The fair values of equity-classified warrants issued for services of $239,002 was recorded within consulting fees and promotion and marketing in the Company's consolidated statements of loss and other comprehensive loss and estimated for the year ended January 31, 2022 using the Black-Scholes option pricing model with the following assumptions:

- Dates of grant: March 29 and September 27, 2021
- Risk free interest rates: 0.24% to 0.53%
- Volatilities: 97% to 98%
- Market prices of common shares on grant date: $0.27 to $1.21
- Expected dividends: Nil%
- Expected life: Two (2) years
- Exercise prices: $0.27 to $1.21

(Expressed in Canadian dollars)

13. Share Purchase Warrants (continued)

On March 28, 2023, 200,000 warrants with exercise price of $1.21 expired unexercised.

14. Compensation Options

The following table summarizes the continuity of compensation options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, January 31, 2020	–	–	–
Granted	471,178	0.50	3.00
Outstanding and exercisable, January 31, 2021	471,178	0.50	2.83
Granted (Notes 12(j), 12(k) and 12(l))	2,015,625	0.40	3.00
Outstanding and exercisable, January 31, 2022 and 2023	2,486,803	0.42	1.23 / 2.23

At January 31, 2023, the following compensation options were outstanding and exercisable:

			Exercisable Into			
Number of Compensation Options	Exercise Price $	Expiry Date	Common Shares	Share Purchase Warrants	Exercise Price	Expiry Date
471,178	0.50	December 2, 2023	537,143	537,143	$ 0.60	December 2, 2023
1,967,750	0.40	May 28, 2024	1,967,750	1,967,750	$ 0.50	May 28, 2024
47,875	0.50	May 28, 2024	47,875	–	–	–
2,486,803			2,552,768	2,504,893		

Compensation options are exercised by delivery of an election to purchase together with payment by the compensation option holder to the Company.

During the year ended January 31, 2022, the fair values of compensation options were determined using the Monte Carlo option pricing model, using the following assumptions:

- Risk free interest rates: 0.50% to 0.61%
- Volatility: 114% to 119%
- Market prices of common shares on valuation date: $0.295 to $0.40
- Expected dividends: Nil%
- Expected life: Three (3) years

- Exercise prices: $0.40 to $0.50

(Expressed in Canadian dollars)

15. Long-term Incentive Plans

Effective October 1, 2019, the Company adopted a long-term incentive plan. Under this plan, the Company may grant share purchase options, RSUs, PSUs or deferred share units to its directors, officers, employees and consultants up to an amount as determined by the Company and will be no more than 10% of its outstanding common shares on a fully-diluted basis. RSUs, PSUs and deferred share units are settled in common shares. The exercise price of the share purchase options will be determined by the Company and will be no less than market price on grant date.

Effective June 29, 2018, the Company's subsidiary, MedMelior, adopted a stock option plan. Under this plan, MedMelior may grant options to its directors, officers, employees and consultants up to an amount as determined by MedMelior. The exercise price of the stock options will be determined by MedMelior.

(a) Restricted Stock Units

The following table summarizes the continuity of the Company's RSUs:

	Number of RSUs
Outstanding, January 31, 2020	275,000
Granted	30,000
Common shares issued on vesting (Notes 12(m) and 18)	(271,667)
Forfeited (Note 18)	(8,333)
Outstanding, January 31, 2021	25,000
Common shares issued on vesting (Note 12(e))	(15,000)
Outstanding, January 31, 2022	10,000
Common shares issued on vesting (Note 12(a))	(10,000)
Outstanding, January 31, 2023	–

The fair value of share-based payment expense was determined using market value of the share price on grant date. RSUs are settled by delivery of a notice of settlement by the RSU holder or, if no notice of settlement is delivered, on the last vesting date. During the year ended January 31, 2023, the Company recognized $2,661 of share-based payments related to its RSUs (2022 - $23,668; 2021 - $219,360) within consulting fees and wages, salaries and employment expenses in its consolidated statements of loss and other comprehensive loss.

(Expressed in Canadian dollars)

15. Long-term Incentive Plans (continued)

(b) Performance Stock Units

The following table summarizes the continuity of the Company's PSUs:

	Number of PSUs
Outstanding, January 31, 2020	75,000
Common shares issued on vesting (Notes 12(m) and 18)	(25,000)
Expired (Note 18)	(25,000)
Outstanding, January 31, 2023, 2022 and 2021	25,000

PSUs vested on March 31, 2021 and are settled by delivery of a notice of settlement by the PSU holder. At January 31, 2023, 25,000 PSUs were vested but not yet settled (January 31, 2022 – 25,000). During the year ended January 31, 2022, the Company recognized share-based compensation related to its PSUs of $nil (2022 - $nil; 2021 – reversal of $6,359 due to non-market performance condition not being met) within consulting fees in its consolidated statements of loss and other comprehensive loss.

(c) Share Purchase Options

The following table summarizes the continuity of the Company's share purchase options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, January 31, 2020	1,472,500	3.82	3.08
Granted (Note 18)	1,430,000	1.03	3.01
Granted pursuant to acquisition (Note 6(b))	856,880	3.05	0.35
Forfeited/expired (Note 18)	(836,668)	(2.68)	–
Outstanding, January 31, 2021	2,922,712	2.56	2.19
Granted (Note 18)	1,270,000	0.48	2.41
Forfeited/expired (Note 18)	(1,782,712)	(3.51)	–
Outstanding, January 31, 2022	2,410,000	0.76	1.98
Granted (Note 18)	3,920,000	0.17	3.00
Expired (Note 18)	(60,000)	1.66	–
Outstanding, January 31, 2023	6,270,000	0.38	1.93

(Expressed in Canadian dollars)

15. Long-term Incentive Plans (continued)

Additional information regarding share purchase options as of January 31, 2023, is as follows:

Options Outstanding	Options Exercisable	Exercise Price $	Expiry Date	Vesting Terms
700,000	700,000	0.63	April 28, 2023	33.33% every six months/ 25% every six months
20,000	20,000	0.275	September 27, 2023	25% every four months
20,000	20,000	0.29	November 28, 2023	100% on February 28, 2022
840,000	840,000	0.77	December 8, 2023	50% on each of January 1, 2021 and 2022
520,000	520,000	0.295	October 13, 2024	100% on January 14, 2022
20,000	20,000	0.16	December 11, 2024	100% on grant date
2,100,000	1,400,003	0.17	February 28, 2025	33.33% every six months
180,000	171,667	1.80	May 5, 2025	25% every six months
50,000	41,667	2.40	May 10, 2025	16.66% every six months
20,000	16,667	1.80	May 21, 2025	16.66% every six months
1,800,000	450,000	0.16	January 12, 2026	25% every six months
6,270,000	4,200,004			

The fair value of share-based payment expense was estimated using the Black-Scholes option pricing model and the following assumptions:

	January 31, 2023	January 31, 2022	January 31, 2021
Dates of grant	March 1, 2022 to January 13, 2023	April 29, 2021 to November 29, 2021	May 7, 2020 to January 5, 2021
Risk free interest rates	1.39% to 3.87%	0.31% to 0.95%	0.20% to 0.38%
Volatilities	119% to 155%	155% to 175%	80% to 188%
Market prices of common shares on grant date	$0.17 to $0.18	$0.27 to $0.63	$0.77 to $2.55
Expected dividends	Nil%	Nil%	Nil%
Expected lives	Two (2) to three (3) years	One (1) to three (3) years	Ten (10) months to five (5) years
Exercise prices	$0.16 to $0.17	$0.27 to $0.63	$0.77 to $3.22

Fair values of the options at each measurement date ranged between $0.11 to $1.70. For the year ended January 31, 2023, share-based payments related to share purchase options totaling $476,554 and have been recorded in the Company's consolidated statements of loss and other comprehensive

loss (2022 - $695,473; 2021 - $613,631). $196,969 of share-based payment expense have yet to be recognized and will be recognized in future periods.

(Expressed in Canadian dollars)

15. Long-term Incentive Plans (continued)

(d) Share Purchase Options of MedMelior

The following table summarizes the continuity of MedMelior's share purchase options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, January 31, 2021 and 2020	–	–	–
Granted (Note 18)	1,100,000	0.10	3.00
Outstanding, January 31, 2023 and 2022	1,100,000	0.10	1.91 / 2.91

Additional information regarding share purchase options of MedMelior as of January 31, 2023, is as follows:

Options Outstanding	Options Exercisable	Exercise Price $	Expiry Date	Vesting Terms
1,100,000	825,000	0.10	December 28, 2024	25% every six months

The fair value of share-based payment expense was estimated using the Black-Scholes option pricing model and the following assumptions:

- Date of grant: December 29, 2021
- Risk free interest rate: 1.181%
- Volatility: 90%
- Market price of common shares on grant date: $0.83
- Expected dividends: Nil%
- Expected life: Three (3) years
- Exercise price: $0.10

Fair value of the options at the measurement date was $0.75. For the year ended January 31, 2023, share-based payments related to share purchase options totaling $492,199 and have been recorded in the Company's consolidated statements of loss and other comprehensive loss (2022 - $273,411; 2021 - $nil). $56,238 of share-based payment expense has yet to be recognized and will be recognized in future periods.

(Expressed in Canadian dollars)

16. Non-controlling Interests

As at January 31, 2023, 8.86% of MedMelior's ownership interest is held by NCI (January 31, 2022 – nil%). The following is summarized financial information for MedMelior, before inter-company eliminations with other companies in the group.

	2023 $	2022 $
Current assets	75,706	623,227
Non-current assets	–	18,435
Current liabilities	(23,518,207)	(22,379,079)
Non-current liabilities	(20,700)	(17,280)
Net liabilities	(23,463,201)	(21,754,697)
Net liabilities attributable to NCI	(2,078,448)	–

	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Revenue	–	–	–
Net loss	(6,278,228)	(4,597,551)	(12,983,078)
Other comprehensive (loss) income	1,186	15,581	(11,642)
Total comprehensive loss	(6,277,042)	(4,581,970)	(12,994,720)
Net loss attributable to NCI	(356,571)	–	–
Net comprehensive loss attributable to NCI	473	–	–

	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Cash flows used in operating activities	(650,077)	(85,505)	(214,794)
Cash flows provided by investing activities	–	–	275,525
Cash flows provided by financing activities	614,723	60,000	–
Effects of exchange rate changes on cash	(11)	(26)	1
Net (decrease) increase in cash	(36,232)	(25,531)	60,732
Dividends paid to NCI during the year	–	–	–

In June 2022, MedMelior issued 193,333 common shares and 96,667 share purchase warrants to NCI for gross proceeds of $186,147 (US$145,000), of which $25,709 was allocated to liability classified warrants (Note 13(b)). In October 2022, MedMelior issued 3,500,000 common shares with a fair value of $2,961,833 to a third party for services rendered.

(Expressed in Canadian dollars)

17. Supplemental Cash Flow Disclosures

	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Supplemental disclosures:			
Interest paid	–	–	480,636
Non-cash investing and financing activities:			
Common shares issued for services	29,737	115,500	1,351,808
Common shares of MedMelior issued for services	2,961,835	–	–
Common shares issued for settlement of accounts payable	–	40,331	–
Common shares issued for conversion of debentures	493,253	–	102,389
Common shares issued as share issue costs	–	724,690	–
Common shares issued for asset acquisition	–	–	16,666,666
Common shares and share purchase warrants issued on exercise of special warrants	–	2,794,868	–
Common shares, share purchase options and share purchase warrants issued for asset acquisition	–	–	6,252,180
Compensation options granted as share issue costs	–	896,466	–
Warrants issued for finder's fee	–	–	103,549

18. Related Party Transactions

Key Management Compensation

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company and includes the chief executive officer, chief operating officer, chief financial officer and chief medical officer. During the year ended January 31, 2023, compensation of key management and directors of the Company totaled $1,890,044 (2022 - $1,755,811; 2021 – $1,558,585), and consisted of salaries, consulting fees, directors' fees and share-based payments. During the year ended January 31, 2023:

- 3,400,000 stock options were granted to directors and officers (2022 – 700,000; 2021 – 1,200,000),
- 10,000 stock options for a director expired (2022 – 1,242,620 forfeited/expired; 2021 – 256,250 forfeited/expired),
- No stock options were granted by MedMelior to directors and officers (2022 – 1,000,000; 2021 – nil),
- No common shares were issued to former officers and directors pursuant to vesting of RSUs and PSUs (2022 – nil; 2021 – 291,667), and
- No RSUs and PSUs for former officers and director were forfeited (2022 – nil; 2021 – 33,334).

Other Related Party Transactions

Pursuant to the Amalgamation (Note 6(b)), 582,620 stock options were granted to officers, a director and a former officer of MedMelior, upon which the MedMelior stock options held by such individuals terminated. These stock options expired on June 30, 2021.

(Expressed in Canadian dollars)

18. Related Party Transactions (continued)

As at January 31, 2023, the Company owed $964,261 to key management and directors (January 31, 2022 - $144,867) and accounts payable and accrued liabilities include $534,000 owed to a former pre-Amalgamation director of MedMelior (January 31, 2022 - $466,363). During the year ended January 31, 2023, settlement and legal provisions expense related to this former director of MedMelior totaled $42,290 (January 31, 2022 - $313,470). Subsequent to January 31, 2023, approximately $470,000 of amounts owing to officers were forgiven (Note 26(c)).

During the year ended January 31, 2023, the Company received subscription proceeds of $74,000 from its Chief Executive Officer.

19. Income Tax

The following schedule reconciles the expected income tax expense (recovery) at the Canadian combined federal and provincial statutory rate of 27% (2022 - 27%; 2021 – 27%) to the amounts recognized in the consolidated statements of loss and other comprehensive loss:

	January 31, 2023 $	January 31, 2022 $	January 31, 2021 $
Net loss before taxes	(9,372,772)	(11,992,508)	(36,350,790)
Statutory rate	27.00%	27.00%	27.00%
Expected tax recovery	(2,530,648)	(3,237,977)	(9,814,710)
Foreign tax rate differences	5,261	(139,857)	219,740
Permanent differences and other	300,720	340,070	115,020
Write-off and impairments	–	302,806	3,017,450
Abandoned assets	–	–	52,490
Change in deferred tax assets not recognized	2,224,667	2,901,624	6,410,010
Income tax expense	–	166,666	–

The Company’s income tax expense is allocated as follows:

	2023 $	2022 $	2021 $
Current tax expense	–	166,666	-
Deferred tax expense	–	–	-
	–	166,666	-

(Expressed in Canadian dollars)

19. Income Tax (continued)

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2023 $	2022 $
Tax loss carryforwards – Canada	58,788,940	50,216,400
Tax loss carryforwards - USA	685,220	474,030
Tax loss carryforwards – Australia	19,250	12,080
Tax loss carryforwards – Hong Kong	79,370	73,160
Intangible assets	14,599,580	15,339,660
Property and equipment	33,570	8,120
Contingent liability	1,856,930	–
Financing costs	3,078,420	5,138,660
Capital loss	11,766,200	5,184,180
Total unrecognized deductible temporary differences	90,907,480	76,446,290

As at January 31, 2023, the Company's US net operating loss carryforwards total $685,220 (January 31, 2022 - $474,030) which have no expiry date. Financing fees will be fully amortized in 2027. The remaining unrecognized deferred tax assets will carry forward indefinitely.

The Company's unrecognized Canadian non-capital income tax losses expire as follows:

Expiry Date	Non-Capital Loss $
2031	118,713
2032	657,883
2034	687,128
2035	1,499,363
2036	4,769,156
2037	1,267,151
2038	1,169,742
2039	4,937,403
2040	11,051,002
2041	9,067,088
2042	13,177,463
2043	10,386,848
	58,788,940

20. Joint Venture

On December 17, 2018, the Company entered into a joint venture arrangement whereby the Company holds 50% of the issued and outstanding shares of Pivot-Cartagena Joint Venture Inc. (“Pivot-Cartagena JV). Pivot-Cartagena JV was incorporated to develop and commercialize cannabis-infused non-alcoholic beverages using the industry expertise of its joint venture partner. The Company and its joint venture partner each have 50% interest in the net assets and net income or loss of Pivot-Cartagena JV. On October 27, 2021, the Pivot-Cartagena JV was dissolved. There was no impact on the consolidated financial statements on the dissolution.

21. Commitments and Contingencies

(a) In September 2019, the Company was served with a claim from Green Stream Botanicals Corp. for a finder's fee in the amount of $600,000 in relation to non-brokered private placements totaling $15 million completed in May 2019. In July 2020, the Company settled this claim for $120,000. For the year ended January 31, 2021, the Company recorded a settlement of legal claim of $120,000 within the consolidated statements of loss and other comprehensive loss.

(b) In November 2019, the Company's former Chief Executive Officer filed an originating application with the Superior Court in the province of Quebec for damages stemming from a termination of employment. The former Chief Executive Officer is seeking payment of amounts totaling approximately $1 million, exercisability of his stock options until the original expiry dates, issuance of 600,000 stock options and an order that the Company not issue further common shares. The Company believes the claim is unfounded and intends to vigorously defend these claims.

(c) In January 2020, an injunction was filed against the Company in the Superior Court of Quebec by Bio V Pharma Inc. ("BioV") seeking provisional orders in respect of the premises sub-leased at 285 Kesmark Street and damages of approximately $395,000. In January 2021, this injunction was discontinued pursuant to the sale of Pivot (Note 5(b)).

(d) In March 2021, Olymbec Development Inc. ("Olymbec") filed a judicial demand before the Superior Court (Civil Division) of Quebec and a judgement for a safeguard order was obtained by Olymbec against Pivot, a former subsidiary, and the Company, as guarantor of the lease at 285-295 Kesmark Street, Quebec (the "Lease"), ordering Pivot and the Company to jointly pay the full amount of the Lease on the first day of each month. In May 2021, a judgement for a safeguard order was issued ordering Pivot and the Company to provide post-dated cheques for monthly lease payments for the months of June through November 2021. In June 2021, a judgement granted Pivot and the Company until June 30, 2021 to pay the outstanding lease totaling $124,223 and to deliver post-dated cheques each in the amount of $49,410.51 for monthly lease payments for the months of July through November 2021, which were completed. Olymbec is also claiming administrative fees of approximately $36,500 resulting from Pivot's default on its monthly lease. The Company is assessing options available to contest the judicial demand from Olymbec and mitigate its damages. The Company has not accrued any amounts as of January 31, 2023 as management has assessed the likelihood of payment to be unlikely.

(e) The Company is a guarantor on the Lease (Notes 9 and 21(d)), which was assigned together with the sale of Pivot (Note 5(b)) pursuant to which the Company has recorded a financial guarantee liability of $1,107,212 (January 31, 2021 - $1,083,295), at a discount rate of 25%, based on its best estimate of potential future loss.

(Expressed in Canadian dollars)

21. Commitments and Contingencies (continued)

The following table summarizes the continuity of financial guarantee liability:

	Financial Guarantee Liability $	Current $	Long-term $
Balance, January 31, 2020	–	–	–
Recognition of financial guarantee liability	182,200		
Balance, January 31, 2021	182,200	182,200	–
Change in carrying value	901,095		
Balance, January 31, 2022	1,083,295	218,780	864,515
Accretion	23,917		
Balance, January 31, 2023	1,107,212	667,042	440,170

In October 2021, the Company filed an application for a bankruptcy order ("Application") against Pivot in the Superior Court (Commercial Division) of Quebec. Pivot is the lessee of the "Lease and had not met its Lease liabilities upon which the Company, as guarantor, was required to meet following the safeguard orders issued by the Superior Court (Civil Division) of Quebec (Note 21(d)). In March 2022, the Company and Pivot signed a settlement agreement pursuant to which Pivot would make a lump sum payment of $300,000 to the Company as follows: $150,000 on or before April 1, 2022 and $150,000 on or before May 31, 2022 (the "Transaction"), which was homologated by the Superior Court (Commercial Division) of Quebec on March 28, 2022. During the year ended January 31, 2023, $300,000 of settlement income has been recorded in settlements, net on the consolidated statements of loss and other comprehensive loss. On June 13, 2022, the Application was withdrawn by the Company.

(f) The Company and MedMelior were named as defendants in a lawsuit before the Supreme Court of the State of New York, New York County ("State Court") by a former director of MedMelior, who served as director prior to MedMelior's amalgamation with the Company. This former director filed the verified complaint on January 20, 2022, seeking compensatory and punitive damages in amounts believed by the Company to be in excess of US$2 million and US$10 million, respectively. During March 2022, the Company filed a motion to dismiss the complaint on the basis of inconvenient forum and for lack of jurisdiction. On December 1, 2022, following oral argument on the motion, the State Court dismissed the complaint in its entirety. On April 29, 2022, in response to the Company's then-pending motion to dismiss, the former director filed a separate, parallel action, naming the Company and MedMelior before the United States District Court for the Southern District of New York, asserting substantially the same claims as in the State Court action. The Company believes that lawsuit to be unfounded and has filed a motion to dismiss, substantially similar to the motion granted by the State Court.

(g) In January 2022, a statement of claim was filed against the Company by a third party for breach of a marketing contract. In March 2023, this claim was settled for $30,000.

(h) At January 31, 2023, certain of the Company's research and development programs, with a total contracted amount of $5.59 million, were in progress of which the Company has paid $3.06 million and a further $2.53 million remains to be paid in future periods.

(Expressed in Canadian dollars)

22. Operating Segment

The Company operates in one industry segment, development and commercialization of patented, differentiated and premium quality pharmaceuticals within one geographical area. All of the Company's long-lived assets are located in Canada.

23. Fair Value Measurements

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of the significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
- Level 3: unobservable inputs for the assets or liabilities.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The carrying values of amounts receivable excluding tax receivables, due to related parties and amounts payable and accrued liabilities approximate the fair values due to the short-term nature of these items. The fair value of the convertible debentures, financial guarantee liability and loans payable is partially derived from market interest rates. The risk of material change in fair value is not considered to be significant due to a relatively short-term nature. The Company does not use derivative financial instruments to manage this risk.

The following is an analysis of the Company's financial assets and liabilities at fair value as at January 31, 2023 and 2022:

	As at January 31, 2023		
	Level 1	Level 2	Level 3
	$	$	$
Cash	8,307	–	–
Warrant liabilities	–	–	20,700

	As at January 31, 2022		
	Level 1	Level 2	Level 3
	$	$	$
Cash	173,513	–	–
Financial guarantee liability	–	–	1,083,295

Warrant liabilities	–	–	353

There were no transfers between level 1, 2 and 3 inputs during the year.

(Expressed in Canadian dollars)

24. Management of Financial Risk

The Company's financial instruments are exposed to certain risks as summarized below:

(a) Credit risk

Credit risk is the risk of loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through reputable financial institutions in Canada, U.S. and Australia. The carrying amount of cash represent the maximum exposure to credit risk. As at January 31, 2023, this amounted to $8,307.

(b) Interest rate risk

Interest rate risk is the risk that fair values or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure (Note 25). Accounts payable and accrued liabilities, due to related parties and other liabilities are due within the current operating period.

The table below summarizes the maturity profile of the Company's financial liabilities at January 31, 2023 based on contractual undiscounted payments:

	0 – 12 Months $	Over 12 Months $
Accounts payable and accrued liabilities	5,436,024	–
Due to related parties	964,261	–
Financial guarantee liability	667,042	440,170
Warrant liabilities	–	20,700
Loans payable	80,000	–

(d) Currency risk

Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. A 5% change in exchange rates will increase or decrease the Company's loss by approximately $170,000. The Company does not invest in derivatives to mitigate these risks.

25. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and commercialization of patented pharmaceuticals, and to maintain a flexible capital structure. The Company considers its capital to be its shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets. To maintain or adjust its capital structure, the Company may issue new common shares or debentures, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, the Company does not pay out dividends. There are no external restrictions on the Company's capital.

26. Events After the Reporting Date

(a) In March 2023, the Company closed a brokered private placement pursuant to which it issued 15,000,000 units at a price of $0.10 per unit for gross proceeds of $1,500,000. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one common share at an exercise price of $0.15 for a period of 60 months. The Company paid $84,000 in brokers' fee and issued 840,000 of brokers' warrants entitling the holder to purchase one common share at an exercise price of $0.10 for a period of 24 months.

(b) In March 2023, the Company closed on a non-brokered private placement pursuant to which it issued 3,571,429 units at a price of US$0.07 per unit for gross proceeds of $357,143 (US$250,000). Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one common share at an exercise price of US$0.11 for a period of 60 months.

(c) In April 2023, outstanding compensation to officers totaling approximately $470,000 was forgiven.

(d) In May 2023, the Company granted 5,595,000 stock options with an exercise price of $0.075 and expiry date of May 1, 2026 to officers and a director.

(e) In May 2023, MedMelior issued 442,667 common shares and 221,333 share purchase warrants, with an exercise price of US$1.25 and a two year expiry, to NCI for gross proceeds of US$332,000.

(f) Subsequent to January 31, 2023, 1,220,000 stock options forfeited or expired unexercised and 200,000 share purchase warrants expired unexercised.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended January 31, 2023

This following Management's Discussion and Analysis ("MD&A") is prepared as of May 29, 2023 and provides a review of the financial condition and results of operations for BetterLife Pharma Inc. (the "Company" or "BetterLife") for the year ended January 31, 2023. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended January 31, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The financial information presented in this MD&A is derived from the audited consolidated financial statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the commercial viability of any products the Company is in the process of developing, delays or changes in plans with respect to any products, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended. There can be 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. See the "Risks and Uncertainties" section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

BUSINESS OVERVIEW

BetterLife is a publicly traded corporation incorporated on June 10, 2002 in the Province of British Columbia, Canada under the name "649186 B.C. Ltd.". On September 9, 2003, the Company changed its name to "Xerxes Health Corp.". On June 26, 2007, it changed its name to "Neurokine Pharmaceuticals Inc.". On April 7, 2015, the Company changed its name to "Pivot Pharmaceuticals Inc." and on December 5, 2019, it changed its name to "BetterLife Pharma Inc.". The Company's principal executive office is located at 1275 West 6th Avenue, #300, Vancouver, B.C. Canada V6H 1A6. BetterLife's common shares are traded on the Canadian Securities Exchange under the symbol "BETR".

BetterLife is an emerging biotechnology company primarily focused on developing compounds for the treatment of mental disorders. BetterLife is also refining and developing drug candidates from a broad set of complementary interferon-based technologies which have the potential to engage the immune system to fight viral infections.

The Company's management team has implemented a business-minded and cost-conscious approach to product research and development and will use contract development and manufacturing organizations on a fee for service basis to perform any research, development or production that is required.

Business Developments

On February 28, 2018, BetterLife completed the acquisition of Pivot Naturals, LLC ("Pivot Naturals") pursuant to an exchange agreement dated as of February 10, 2018 among BetterLife, Pivot Naturals and the members of Pivot Naturals. Pursuant to the acquisition of Pivot Naturals, the Company acquired a patented technology called "RTIC" Ready-To-Infuse-Cannabis ("RTIC"), relating to the transformation of cannabis oil into powder for infusion into a variety of products. By April 2020, the Company transferred 100% of its membership interest of Pivot Naturals to a third party and strategically exited the California cannabis market.

In March 2020, the Company completed the acquisition of SolMic AG ("Solmic") and the patented Solmic solubilization drug delivery technology for oral platform. Consideration for the acquisition included CHF10,000 for the acquisition of Solmic and EUR50,000 for the patents.

On August 31, 2020, the Company completed an amalgamation with MedMelior Inc. ("MedMelior") pursuant to which MedMelior was amalgamated with 12167573 Canada Ltd. (the "Amalgamation"), a wholly-owned subsidiary of the Company incorporated on June 30, 2020 for purposes of the Amalgamation. Upon Amalgamation, MedMelior became a wholly-owned subsidiary of the Company. The Company issued 18,217,239 common shares to MedMelior shareholders, granted 856,880 stock options, with exercise prices ranging between $0.03 and US$2.47 and expiry dates between September 7, 2020 and February 28, 2023, and granted 252,595 share purchase warrants with exercise price of US$1.44 and expiring on August 6, 2022. In March 2022, MedMelior's name was changed from Altum Pharmaceuticals Inc.

In June 2020, BetterLife effected a consolidation of its issued and outstanding common shares on a ten (10) old for one (1) new common share. References to common shares in this report have been adjusted for the consolidation. Exercise or conversion prices and the number of common shares issuable under any of the Company's outstanding warrants, restricted stock units, performance stock units and stock options have also been proportionately adjusted to reflect the consolidation.

In December 2020, the Company closed on a share purchase agreement with an unrelated third party (the "Purchaser") pursuant to which 100% of the issued and outstanding common shares of Pivot Pharmaceuticals Manufacturing Corp. ("Pivot"), a wholly-owned subsidiary, was sold. Pursuant to the sale, the Company's lease of the manufacturing facility in Dollard-des-Ormeaux, Quebec, Canada and its in-process Health Canada license application was transferred to the Purchaser and the Company strategically exited the Canadian cannabis manufacturing market. The Company remains a guarantor on the lease at Dollard-des-Ormeaux, Quebec, Canada until the lease expiry date of April 30, 2025.

On December 18, 2020, the Company acquired 100% of the assets in Nutraneeds LLC ("Nutraneeds") in an all-stock transaction. Pursuant to the acquisition, the Company issued 13,333,333 common shares to principals of Nutraneeds. The assets acquired address unmet mental health needs through the development of patented next generation psychedelic therapeutics, including the LSD derivative 2-Bromo-LSD.

On December 17, 2021, the Company signed a share contract with an unrelated third party (the "BetterLife Europe Purchaser") for the sale of 100% of the issued and outstanding common shares of BetterLife Europe Pharmaceuticals AG ("BetterLife Europe"). Pursuant to the sale of BetterLife Europe, the Company's Solmic patents and Solmic AG, a subsidiary of BetterLife Europe, were transferred to the BetterLife Europe Purchaser and the Company is no longer pursuing commercialization of cannabis products in Europe.

Product Description and Target Disease

BETR-001's active chemical is 2-bromo-lysergic acid diethylamide ("2-bromo-LSD"). BETR-001 is a non-hallucinogenic LSD derivative molecule that is believed to mimic the projected therapeutic potential of LSD without the burden of its hallucinogenic effects. Human clinical trials were conducted several decades ago with 2-bromo-LSD synthesized from LSD. These trials showed that 2-bromo-LSD did not cause hallucinations, and as such the molecule was thought to have limited pharmacological value and not of interest compared to LSD. In the 1950s and 1960s, LSD was studied for the treatment of people with a number of psychiatric conditions but the very strict controlled substance classification of LSD (Schedule 1) hampered its further development as a therapeutic in this arena. This is however changing now, with LSD research as a psychiatric therapeutic currently experiencing a renaissance. LSD's hallucinogenic properties are believed to arise from its pharmacological effects on the serotonin 5HT2A receptor. The 2-bromo modification on the LSD structure is proposed to alter the pharmacological effect of the compound on the 5HT2A receptor, and lead to 2-bromo-LSD's non-hallucinogenic properties compared to LSD, while maintaining its therapeutic potential. Previously, 2-bromo-LSD has been tested in studies in humans, mainly in healthy subjects. Most of these studies were conducted in the 1950s. In 2010, a case series study in cluster headaches was reported showing that treatment with 2-bromo-LSD was effective against cluster headaches. The Company plans to develop BETR-001 to treat mental health disorders including but not limited to major depressive disorder, anxiety disorder and neuropathic pain and other neuro-psychiatric and neurological disorders. BETR-001 is orally administered. The Company's intended goal is to develop BETR-001 as a patient self-administered medication prescribed by a psychiatrist. In terms of regulations, 2-bromo-LSD per se is not usually classified as a controlled substance, but if its synthesis uses LSD as starting material, the synthesis falls under Schedule 1 controlled substance regulations. The Company has developed and uses a manufacturing process pathway that does not use LSD as starting material to make 2-bromo-LSD, a manufacturing process that is protected by the Company's issued and provisional patents. This manufacturing is therefore not subject to Schedule 1 controlled substance restrictions, and the Company can move ahead with BETR-001 large scale synthesis without these restrictions.

BETR-002's active pharmaceutical ingredient is dihydrohonokiol-B ("DHH-B"). DHH-B is a derivative of honokiol, which is the active anxiolytic (anti-anxiety) ingredient of magnolia bark extracts. Magnolia bark extracts have been used in traditional Chinese medicines for centuries as anxiolytic medication. Several animal studies on safety and anxiolytic efficacy of honokiol/magnolia bark extract have been published[1]. Only two human clinical trials have been published on honokiol (given as magnolia bark extract)[2]. Magnolia bark extract/honokiol is sold as a nutraceutical. DHH-B has been shown in animal studies to have significantly (20x) more anxiolytic activity than its parent molecule honokiol[3]. Animal studies have also shown that DHH-B does not have the side effects of benzodiazepines[4] and not to be addictive like benzodiazepines[5]. No human clinical trials have been conducted on DHH-B. BETR-002 is DHH-B formulated in the Company's patented formulation (provisional) to overcome DHH-B's insolubility and poor bioavailability for potential treatment of anxiety and other neuro-psychiatric disorders. The Company intends to develop DHH-B as a treatment of anxiety related disorders including benzodiazepine dependency.

MM-003 is a patent pending proprietary recombinant human interferon alpha-2b ("IFNa2b") inhalation formulation. IFNa2b is a known broad acting anti-viral protein that is normally naturally synthesized by the body's cells as the first line of defense against viral infections. IFNa2b has been registered and marketed for decades as Intron® A for use as intravenous, intramuscular, sub-cutaneous or intra-lesional injections to treat various kinds of cancers and hepatitis B and C. In recent studies, IFNa2b has been shown to be effective in slowing SARS-CoV-2 viral replication, and a human trial published Friday May 15, 2020 in Frontiers of Immunology titled "Interferon-a2b Treatment for COVID-19", indicated that inhaled IFNa2b had therapeutic efficacy in COVID-19 disease. The Company has developed its own patent pending recombinant human IFNa2b and inhalation formulation, and intends to develop MM-003 as an inhaled IFNa2b for treatment of COVID-19 and other respiratory viral infections.

Cautionary note: The Company is not making any express or implied claims that MM-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 MM-003 are under investigation and market authorization has not yet been obtained.

MM-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. MM-001 is being developed as topical cream for local intravaginal use to treat HPV-induced Cervical Intraepithelial Neoplasia ("CIN"), the precursor to cervical neoplasia. Current treatments of advanced CIN are all based on invasive surgical procedures. MM-001 is being developed to be a non-invasive, self-administered treatment for CIN, with minimal side effects. Small human MM-001 Phase 1-2 trials have been completed. The IFNa2b used to manufacture the MM-001 in these previous Phase 1-2 trials were sourced from outside the Company. The Company intends to complete the development of its own patent pending recombinant human IFNa2b and use that in future development of MM-001.

[1] Review Sarrica et al 2018
[2] Kalman et al 2008; Campus et al 2011
[3] Kuribara et al 2000 J Pharm Pharmacol
[4] Benzodiazepines include Xanax™, Valium™, Klonopin™ and Ativan™
[5] Kuribara et al 2000 J Pharmacol Biochem & Behaviour; Maruyama et al 2001

Product Current Stage of Development

2-bromo-LSD, the active ingredient in BETR-001, as synthesized by others, has been tested in human studies previously, mainly in healthy subjects. Most of these human studies were conducted at the end of the 1950's and early 1960's. The CMC (chemistry, manufacturing, controls) specifications of the 2-bromo-LSD in these studies is not known. Therefore, for purposes of US Food and Drug Administration ("FDA") or other health regulatory authority purposes to start human clinical trials, BETR-001 is classified as a new molecular entity and is currently at the preclinical stage of development.

BETR-002 has not been tested in human studies. It is currently in preclinical stage of development.

The active pharmaceutical ingredient in both MM-001 and MM-003 are the same. It is recombinant human IFNa2b. A proprietary recombinant human IFNa2b produced in E. coli is under development, which will provide the drug substance to be used for both the MM-001 cream or MM-003 inhalation formulations.

For health regulatory authority purposes to start human clinical trials, MM-003 is considered to be at preclinical stage of development.

For health regulatory authority purposes to start human clinical trials, MM-001 is considered clinical stage and with certain bridging studies (to be confirmed), it can potentially begin Phase 2 studies.

Product Current Regulatory Status, Development Strategy and Projected Timelines

BetterLife is currently setting up GMP manufacturing of BETR-001. Simultaneously, BetterLife has started and plans to complete all the necessary preclinical and investigational new drug ("IND") enabling toxicology studies. Upon clearance of the IND, BetterLife currently plans to conduct a randomized placebo controlled single ascending dose (SAD) and multiple ascending dose (MAD) Phase 1 trial in healthy volunteers. As currently foreseen, the Phase 1 will then be followed with randomized placebo controlled Phase 2 trials: one trial in MDD and one trial in cluster headaches.

BetterLife intends to set up GMP manufacturing of BETR-002, and alongside complete all the necessary preclinical and IND enabling toxicology studies. The timing of BETR-002 IND and clinical trials is currently under assessment. As currently foreseen, the BETR-002 IND will be followed with a randomized placebo controlled Phase 1 clinical trial in healthy volunteers, which will then be followed with a randomized placebo controlled Phase 2 trial treating benzodiazepine dependency.

The manufacturing and formulation work for MM-003 is currently ongoing. A pre-IND discussion has been conducted with the FDA for use of MM-003 inhalation in COVID-19. Based on FDA feedback, an inhalation GLP toxicology study in rats using MM-003, is under planning. Given the advent of effective SARS-CoV-2 vaccines, the MM-003 development timing and path are being currently reassessed. IFNa2b is a broad acting anti-viral agent, and studies show that it is effective against many viruses. The timing of MM-003 IND and clinical trials is currently under reassessment.

The previously completed MM-001 Phase 1-2 trials were conducted using MM-001 which had IFNa2b provided by Merck & Co. under a supply agreement, which is now terminated. The Company is now manufacturing its own proprietary IFNa2b to be used in manufacturing of MM-001 for all future trials. MM-001 has an US IND. The MM-001 IND is currently inactive. With MM-001 manufactured using the Company's own IFNa2b, the Company plans to file a new IND under which the MM-001 Phase 2b will be conducted in US. The timing of MM-001 IND and clinical trials is currently under reassessment.

Other Platform Technologies

BetterLife's patented RTIC process technology creates precise and repeatable dosing of cannabis by transforming concentrated cannabis oil into a stable, emulsifiable, odorless and flavorless powder form. The derived powder may then be encapsulated and infused for use in beverages, edibles, lotions and additional health and personal care products. The RTIC process is conducive for manufacturing of a wide array of products. The Company does not have any current plans to develop this technology and is assessing how best to proceed.

SELECTED ANNUAL INFORMATION

The following tables provides a summary of the Company's financial operations for the three most recently completed fiscal years. For more detailed information on the Company, please refer to its annual audited financial statements for the years ended January 31, 2023, 2022 and 2021.

Year ended or as at:	**January 31, 2023**	**January 31, 2022**	**January 31, 2021**
Revenue	$ nil	$ nil	$ nil
Operating expenses	(9,460,653)	(10,207,825)	(7,915,367)
Other income (expenses)	87,881	(1,784,683)	(28,435,423)
Income tax expense	nil	(166,666)	nil
Net loss	(9,372,772)	(12,159,174)	(36,350,790)
Net loss per share, basic and fully diluted	(0.10)	(0.16)	(1.34)
Operating cash	8,307	173,513	154,722
Working capital deficiency	(7,072,600)	(3,000,219)	(4,517,523)
Total assets	74,727	1,161,363	1,336,425
Total long-term liabilities	460,870	899,074	131,603
Total deficit	(7,533,470)	$ (3,880,858)	$ (4,612,255)

DISCUSSION OF OPERATIONS

Following is a discussion of the Company's financial results for the year ended January 31, 2023, compared to the comparative prior fiscal years.

	YEAR ENDED		
	January 31, 2023	**January 31, 2022**	**January 31, 2021**
Revenue	$ nil	$ nil	$ nil
Operating expenses	(9,460,653)	(10,207,825)	(7,915,367)
Other income (expense):			
Accretion expense on convertible debentures	(55,687)	(6,584)	(33,054)
Change in unrealized gains/losses on derivative liabilities	5,362	131,250	(73,885)
Financial guarantee expense	(23,917)	(1,224,522)	(182,200)
Gain on sale/abandonment of assets, net	nil	191,699	804,429
Interest expense	(11,491)	(51,761)	(7,046)
Interest income	nil	nil	265
(Loss) gain on debt modification	(197,205)	56,264	nil
Loss on impairment of intangible assets	nil	nil	(12,116,908)
Other	18,136	26,933	(40,358)
Penalties expense	94,973	(344,492)	nil
Settlements and legal provisions	257,710	(563,470)	(120,000)
Unidentifiable assets acquired	nil	nil	(16,666,666)
Income tax expense	nil	(166,666)	nil
Net loss	$ (9,372,772)	$ (12,159,174)	$ (36,350,790)

Net loss for the year ended January 31, 2023 decreased from the year ended January 31, 2022. The decrease was mainly due to a decrease in operating expenses (discussed below) as well as a decrease in financial guarantee expense. In the 2022 fiscal year, the Company recorded the fair value of financial guarantee liability related to its guarantee of a lease at Dollard-des-Ormeaux, Quebec, Canada, which resulted in a financial guarantee expense of $1,224,522. In the 2023 fiscal year, financial guarantee expense is the net result of accretion expenses and gains from settlements of the guarantee liability through lease payments made by Pivot. In addition, BetterLife recorded a net gain on settlements and legal provisions resulting from a settlement agreement signed with Pivot in March 2022 for $300,000 (discussed under "Commitments and Contingencies").

Net loss for the year ended January 31, 2022 decreased as compared to the year ended January 31, 2021. The decrease was due mainly to a non-recurring expense of $16,666,666, recorded as other expense during the year ended January 31, 2021, related to unidentifiable assets acquired. On December 7, 2020, the Company entered into an asset purchase agreement with Nutraneeds whereby the Company issued 13,333,333 common shares to acquire intellectual property, including patented technology, in connection with the compounds known as 2-bromo-LSD. The intangible assets acquired were determined to be too-early stage to meet the definition of intangible asset. Accordingly, the Company accounted for this transaction as an asset acquisition and measured the transaction using the fair value of the consideration paid with amount paid being recognized as a non-recurring expense related to unidentifiable assets acquired.

Also contributing to the decrease in net loss from fiscal 2021 to fiscal 2022 was the recording of impairment of intangible assets during the year ended January 31, 2021. During fiscal 2021, the Company recorded an impairment loss totaling $11,362,000 on its MM-001 and MM-003 intangible assets. An impairment assessment was performed from which the Company concluded both assets to be in such early stage of development that a reasonable estimate of recoverable amount could not be estimate. The Company also recorded impairment losses on its BiPhasix license,

Thrudermic non-patented technology and Solmic patents as it had exited the cannabis manufacturing and commercialization industry.

This decrease in net loss was offset by an increase in operating expenses (discussed below) and an increase in financial guarantee expense related to management's best estimate of the fair value of the financial guarantee liability related to its guarantee of the lease at Dollard-des-Ormeaux.

Expenses

	YEAR ENDED		
	January 31, 2023	**January 31, 2022**	**January 31, 2021**
Amortization and depreciation of equipment and intangible assets	$ 18,435	$ 18,436	$ 157,760
Amortization of right-of-use assets	nil	nil	(69,849)
Consulting fees	3,529,884	1,045,539	1,982,846
Foreign exchange loss (gain)	203,212	238,206	(39,050)
General and administrative	280,467	425,865	1,743,415
Lease liability expense	nil	nil	479,164
Professional fees	895,379	879,054	1,447,202
Promotion and marketing	123,219	437,689	185,952
Repairs and maintenance	nil	nil	22,808
Research and development	2,677,286	5,420,634	284,700
Wages, salaries and employment expenses	1,732,771	1,742,402	1,720,419
Operating expenses	$ 9,460,653	$ 10,207,825	$ 7,915,367

Operating expenses decreased from the year ended January 31, 2022. With a challenging capital markets environment, the Company made efforts to reduce expenditures. Within its BETR-001 program, the Company completed preclinical pharmacology studies initiated in fiscal 2022, began some IND-enabling toxicology studies, completed scale-up development of manufacturing and initiated manufacturing of first GMP batch of BETR-001. Data from the preclinical pharmacology studies were published in a peer-reviewed journal article Lewis et al., March 28, 2023, Cell Reports 42. IND-enabling toxicology studies and GMP manufacturing of the first batch of drug substance are ongoing. Within its MM-003 program, the Company completed Phase 2 clinical trials with interferon alpha-2b in COVID-19 patients in Chile and did not pursue any other research activities. As a result, research and development costs decreased by approximately $2.7 million from the 2022 fiscal year. General and administrative expenses and promotion and marketing expenses also decreased due to the Company's cost minimization efforts.

The decrease in operating expenses was offset by an increase in consulting fees. During the year, MedMelior issued 3.5 million of its common shares, valued at approximately $3 million, to a third party for services provided, which contributed to an increase in consulting fees.

Operating expenses increased from the year ended January 31, 2021 to 2022, which was due to an increase in research and development expenses. During fiscal 2022, the Company secured net equity financings totaling over $11 million, which allowed the Company to pursue pre-clinical, manufacturing and clinical activities of its BETR-001 and MM-003 programs. The Company completed pre-clinical studies in its BETR-001 program including, but not limited to, the following: Behavioral pharmacology tests to confirm non-hallucinogenic properties, in vivo oral bioavailability and food-effect pharmacokinetic studies and animal depression studies to confirm anti-depressant properties. With its MM-003 program, the Company completed Phase 1 and initiated Phase 2 clinical trials with interferon alpha-2b in COVID-19 patients in Chile. The Company also completed pre-clinical studies which confirmed potent anti-viral activity of its interferon alpha-2b against variants of COVID-19.

Foreign exchange loss increased from fiscal 2021 to fiscal 2022 due to strengthening of the U.S. dollar. Promotion and marketing expense also increased as the Company incurred costs to promote its research and development programs and corporate profile. The increase in overall operating expenses was offset by a decrease in consulting fees, general and administrative and professional fees.

The table below presents material components of general and administrative expense:

	YEAR ENDED		
	January 31, 2023	**January 31, 2022**	**January 31, 2021**
Business licenses	$ 1,905	$ 19,002	$ 41,083
Conferences	2,381	25,201	775
Information technology	5,103	19,288	20,527
Insurance	nil	11,492	24,707
Investor relations	96,000	50,440	1,191,974
Office	54,185	114,013	142,592
Press release	34,245	45,782	91,914
Public listing expense	60,679	78,993	125,477
Shareholder expense	nil	22,396	10,205
Telecommunications	981	4,137	4,803
Travel, meals and entertainment	4,473	5,174	51,664
Utilities	nil	nil	19,499
Website costs	20,515	29,946	18,196
	$ 280,467	$ 425,865	$ 1,743,415

General and administrative expense for the year ended January 31, 2023 decreased from the year ended January 31, 2022 as the Company made efforts to reduce expenditures. With the reduction in research activities, shipping costs within office expense decreased. Discretionary expenditures within conferences, information technology and website costs were reduced. The Company also did not incur any insurance and shareholder expense in the fiscal 2023 year.

General and administrative expense for the year ended January 31, 2022 decreased as compared to the year ended January 31, 2021. Fiscal 2021 had higher general and administrative expenses related mainly to its Amalgamation with MedMelior. In May 2020, the Company announced that it was pursuing an Amalgamation with MedMelior. The Company disseminated a number of news releases to update the market regarding MedMelior and the Amalgamation process and filed a listing statement pursuant to the Amalgamation, increasing its press release and public listing expenses in fiscal 2021. BetterLife also engaged public and investor relations companies to provide media services and assist with communications to the public of its corporate activities, which resulted in higher investor relations expense during the year ended January 31, 2011. The majority of the increase in investor relations expense was due to share-based payment expenses utilized to compensate third parties while allowing the Company to conserve cash. In fiscal 2022, the Company focused its resources on research and development of its programs (as discussed above).

SUMMARY OF QUARTERLY RESULTS AND FOURTH QUARTER

The following table presents a summary of unaudited quarterly financial information for the last eight consecutive quarters:

	QUARTERS ENDED			
	January 31, 2023	**October 31, 2022**	**July 31, 2022**	**April 30, 2022**
Total revenue	$ nil	$ nil	$ nil	$ nil
Net income (loss)	$ (579,763)	$ (4,679,211)	$ (1,125,100)	$ (2,988,698)
Net income (loss) per share – basic	$ (0.00)	$ (0.05)	$ (0.01)	$ (0.04)
Net income (loss) per share - diluted	$ (0.00)	$ (0.05)	$ (0.01)	$ (0.04)

	QUARTERS ENDED			
	January 31, 2022	**October 31, 2021**	**July 31, 2021**	**April 30, 2021**
Total revenue	$ nil	$ nil	$ nil	$ nil
Net income (loss)	$ (3,938,373)	$ (2,207,785)	$ (3,569,502)	$ (2,443,514)
Net income (loss) per share - basic	$ (0.04)	$ (0.03)	$ (0.05)	$ (0.04)
Net income (loss) per share - diluted	$ (0.04)	$ (0.03)	$ (0.05)	$ (0.04)

During the quarter ended January 31, 2023, the Company continued its efforts in minimizing expenditures. Net loss for the quarter ended October 31, 2022 included share-based payment expense, included within consulting fees, as a result of 3.5 million common shares of MedMelior valued at approximately $3 million issued for services rendered. Net loss for the quarter ended July 31, 2022 was lower than the prior quarters as the Company focused its efforts on securing financing and minimized its expenditures.

During the quarter ended January 31, 2022, the Company increased its estimate of financial guarantee liability related to its guarantee of the lease at 285-295 Kesmark Street in Quebec, which resulted in a higher net loss during that quarter. From May through June 2021, the Company secured gross proceeds of over $11 million from a non-brokered private placement and from financings under a shelf prospectus. These financing proceeds allowed the Company to pursue research activities related to its BETR-001 and MM-003 programs beginning the quarter ended July 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages its liquidity risk by reviewing, on an ongoing basis, its capital requirements and capital structure. The Company makes adjustments to its capital structure in light of changes in economic conditions and the risk characteristics of its assets. To maintain or adjust its capital structure, BetterLife may issue new common shares or debenture, acquire or dispose of assets or adjust the amount of cash. While the Company has incurred losses to date, with an accumulated deficit of $112,186,681 at January 31, 2023, management expects to continue to fund its development efforts through its access to public capital markets. However, there can be no assurance, especially in light of the current global outbreak of COVID-19, that it will gain adequate market acceptance for its projects or be able to generate sufficient positive cash flow to achieve its business plans. Therefore, the Company is subject to risks including, but not limited to, its inability to raise additional funds through equity and/or debt financing to support ongoing operations. See “Risks and Uncertainties”.

Working Capital

The following table presents the Company's working capital as at January 31, 2023 and January 31, 2022:

	January 31, 2023	January 31, 2022
Current assets	$ 74,727	$ 1,142,928
Current liabilities	7,147,327	4,143,147
Working capital deficiency	$ (7,072,600)	$ (3,000,219)

Working capital deficiency increased as compared to January 31, 2022. With a challenging capital markets environment in fiscal 2023, the Company and MedMelior secured approximately $833,000 of net equity financing, compared to over $11 million in fiscal 2022.

Statements of Cash Flows

The following table presents the Company's cash flows for the years ended January 31, 2023, 2022 and 2021:

	YEAR ENDED		
Net cash provided by (used in):	January 31, 2023	January 31, 2022	January 31, 2021
Operating activities	$ (1,503,512)	$ (11,202,820)	$ (7,164,881)
Investing activities	nil	nil	(71,550)
Financing activities	$ 1,335,889	11,233,521	4,089,644
Effect of foreign exchange rate changes on cash	2,417	(11,910)	19,805
(Decrease) increase in cash for the period	$ (165,206)	$ 18,791	$ (3,126,982)

Cash used in operating activities and cash from financing activities for the year ended January 31, 2023 decreased as compared to fiscal 2022. Rising inflation, interest rates and monetary tightening drove down capital markets globally during the Company's fiscal 2023 year end. As a result, the Company and MedMelior secured approximately $833,000 of net equity financing compared to over $11 million in fiscal 2022. Cash from financing activities in fiscal 2023 also included subscriptions received by the Company and MedMelior of approximately $503,000.

Cash used in operating activities for the year ended January 31, 2022 increased as compared to the year ended January 31, 2021. The increase was primarily due to expenditures made on the Company's research and development programs using proceeds received from issuance of common shares and warrants. Cash provided by financing activities also increased from the 2021 fiscal year. During fiscal 2022, the Company secured net equity financings totaling over $11 million from non-brokered private placements and under the Company's shelf prospectus.

Commitments and Contingencies

In September 2019, BetterLife was served with a claim from Green Stream Botanicals Corp. for a finder's fee in the amount of $600,000 in relation to the non-brokered private placement of $15 million that it closed in May 2019. In July 2020, this claim was settled for $120,000.

In November 2019, the Company's former Chief Executive Officer filed an originating application with the Superior Court in the province of Quebec for damages stemming from a termination of employment. The former Chief Executive Officer is seeking payment of amounts totaling approximately $1 million, exercisability of his stock options until the original expiry dates, issuance of 600,000 stock options and an order that the Company not issue further common shares. The Company believes the claims are unfounded and intends to vigorously defend these claims.

In January 2020, an injunction was filed against the Company in the Superior Court of Quebec by Bio V Pharma Inc. ("BioV") seeking provisional orders in respect of the premises sub-leased at 285 Kesmark Street and damages of approximately $395,000. In January 2021, this injunction was discontinued.

In March 2021, Olymbec Development Inc. ("Olymbec") filed a judicial demand before the Superior Court (Civil Division) of Quebec and a judgement for a safeguard order was obtained by Olymbec against Pivot, a former subsidiary, and the Company, as guarantor of the lease at 285-295 Kesmark Street, Quebec (the "Lease"), ordering Pivot and the Company to jointly pay the full amount of the Lease on the first day of each month. In May 2021, a judgement for a safeguard order was issued ordering Pivot and the Company to provide post-dated cheques for monthly lease payments for the months of June through November 2021. In June 2021, a judgement granted Pivot and the Company until June 30, 2021 to pay the outstanding lease totaling $124,223 and to deliver post-dated cheques each in the amount of $49,410.51 for monthly lease payments for the months of July through November 2021, which were completed. Olymbec is also claiming administrative fees of approximately $36,500 resulting from Pivot's default on its monthly lease. The Company is assessing options available to contest the judicial demand from Olymbec and mitigate its damages.

The Company is a guarantor on the lease at 285-295 Kesmark Street in Quebec, Canada, which was assigned together with the sale of Pivot pursuant to which the Company has recorded a financial guarantee liability of $1,107,212 (January 31, 2022 - $1,083,295) based on its best estimate of potential future loss.

In October 2021, the Company filed an application for a bankruptcy order ("Application") against Pivot in the Superior Court (Commercial Division) of Quebec. Pivot is the lessee of the "Lease and had not met its Lease liabilities upon which the Company, as guarantor, was required to meet following the safeguard orders issued by the Superior Court (Civil Division) of Quebec. In March 2022, the Company and Pivot signed a settlement agreement pursuant to which Pivot would make a lump sum payment of $300,000 to the Company as follows: $150,000 on or before April 1, 2022 and $150,000 on or before May 31, 2022 (the "Transaction"), which was homologated by the Superior Court (Commercial Division) of Quebec on March 28, 2022. During the year ended January 31, 2023, $300,000 of settlement income has been recorded in settlements, net on the consolidated statements of loss and other comprehensive loss. On June 13, 2022, the Application was withdrawn by the Company.

The Company and MedMelior were named as defendants in a lawsuit before the Supreme Court of the State of New York, New York County ("State Court") by a former director of MedMelior, who served as director prior to MedMelior's amalgamation with the Company. This former director filed the verified complaint on January 20, 2022, seeking compensatory and punitive damages in amounts believed by the Company to be in excess of US$2 million and US$10 million, respectively. During March 2022, the Company filed a motion to dismiss the complaint on the basis of inconvenient forum and for lack of jurisdiction. On December 1, 2022, following oral argument on the motion, the State Court dismissed the complaint in its entirety. On April 29, 2022, in response to the Company's then-pending motion to dismiss, the former director filed a separate, parallel action, naming the Company and MedMelior before the United States District Court for the Southern District of New York, asserting substantially the same claims as in the State Court action. The Company believes that lawsuit to be unfounded and has filed a motion to dismiss, substantially similar to the motion granted by the State Court.

In January 2022, a statement of claim was filed against the Company by a third party for breach of a marketing contract. In March 2023, this claim was settled for $30,000.

In March 2022, MedMelior filed a notice of civil claim against its former pre-Amalgamation directors in the Supreme Court of British Columbia for breach of fiduciary and statutory duties and breach of contract. Relief sought include general and special damages.

At January 31, 2023, certain of the Company's research and development programs, with a total contracted amount of $5.59 million, were in progress of which the Company has paid $3.06 million and a further $2.53 million remains to be paid in future periods.

RISKS AND UNCERTAINTIES

Financial Risks

Credit Risk

Credit risk is the risk of loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through reputable financial institutions in Canada, U.S. and Australia. The carrying amount of cash represent the maximum exposure to credit risk. As at January 31, 2023, this amounted to $8,307.

Interest Rate Risk

Interest rate risk is the risk that fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities, due to related parties and other liabilities are due within the current operating period.

Currency Risk

Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. A 5% change in exchange rates will increase or decrease the Company's loss by approximately $170,000. The Company does not invest in derivatives to mitigate these risks.

Business Risks

The Company is exposed to a number of "Risk Factors", which are summarized below:

- There is substantial doubt as to whether the Company will continue operations. If the Company discontinues operations, shareholders could lose their 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. The Company 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 its operations.
- The Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available, the Company 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 the results of operations, financial condition and cash flows.
- The Company may not commence or complete clinical testing for any of its prospective pharmaceutical products and the commercial value of any clinical study will depend significantly upon the Company's choice of indication and patient population selection. If BetterLife is unable to commence or complete clinical testing or if it makes a poor choice in terms of clinical strategy, the Company 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 the Company's manufacturing requirements and applicable regulatory requirements or otherwise expected, the Company may not be able to commercialize its products, which may prevent the Company 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 the Company from generating revenues.
- The Company faces potential product liability exposure, and any claim brought against the Company may cause it to divert resources from normal operations or terminate selling, distributing and marketing any of its products. This may cause BetterLife to cease its operations as it relates to that product.
- 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 the Company from achieving its goals or becoming profitable.
- Since certain of the Company's directors are located outside of Canada, shareholders may be limited in their ability to enforce Canadian civil actions against the Company's directors for damages to the value of their investment.
- The Company plans to indemnify its directors and officers against liability to the Company and its security holders, and such indemnification could increase its 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 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 may pursue other business opportunities in order to develop its business and/or products.
- Generally, a litigation risk exists for any company 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.
- 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, as set out in greater detail below.

Risks Related to BetterLife'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.
- If the Company is the subject of an intellectual property infringement claim, the cost of participating in any litigation 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 the Company 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's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them.

Risks Associated with BetterLife's Securities

- Trading on the OTC Bulletin Board and the Canadian Securities Exchange (the "CSE") may be volatile and sporadic, which could depress the market price of the Company's common shares and make it difficult for its shareholders to resell their shares.
- The Company's common share is or may be considered a penny stock. Trading of BetterLife's common shares may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a shareholder's ability to buy and sell their shares.
- Shareholders 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 shareholders are able to make a gain on their investment, if at all.
- The price of the Company's shares may be subject to fluctuation in the future based on market conditions.

The Company has sought to identify what it believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can it guarantee that it has identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to BetterLife's common shares.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on the Company's financial condition, results of operations or cash flows.

TRANSACTIONS BETWEEN RELATED PARTIES

During the year ended January 31, 2023, BetterLife entered into transactions and had outstanding balances with various related parties. The transactions with related parties are in the normal course of business.

Key Management Compensation

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company and includes the chief executive officer, chief operating officer, chief financial officer and chief medical officer.

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company and includes the chief executive officer, chief operating officer, chief financial officer and chief medical officer. During the year ended January 31, 2023, compensation of key management and directors of the Company totaled $1,890,044 (2022 - $1,755,811; 2021 – $1,558,585), and consisted of salaries, consulting fees, directors' fees and share-based payments. During the year ended January 31, 2023:

- 3,400,000 stock options were granted to directors and officers (2022 – 700,000; 2021 – 1,200,000),
- 10,000 stock options for a director expired (2022 – 1,242,620 forfeited/expired; 2021 – 256,250 forfeited/expired),
- No stock options were granted by MedMelior to directors and officers (2022 – 1,000,000; 2021 – nil),
- No common shares were issued to former officers and directors pursuant to vesting of RSUs and PSUs (2022 – nil; 2021 – 291,667), and
- No RSUs and PSUs for former officers and director were forfeited (2022 – nil; 2021 – 33,334).

Other Related Party Transactions

Pursuant to the Amalgamation, 582,620 stock options were granted to officers, a director and a former officer of MedMelior, upon which the MedMelior stock options held by such individuals terminated. These stock options expired on June 30, 2021.

As at January 31, 2023, the Company owed $964,261 to key management and directors (January 31, 2022 - $144,867) and accounts payable and accrued liabilities include $534,000 owed to a former pre-Amalgamation director of MedMelior (January 31, 2022 - $466,363). During the year ended January 31, 2023, settlement and legal provisions expense related to this former director of MedMelior totaled $42,290 (January 31, 2022 - $313,470). Subsequent to January 31, 2023, approximately $470,000 of amounts owing to officers were forgiven.

During the year ended January 31, 2023, the Company received subscription proceeds of $74,000 from its Chief Executive Officer.

PROPOSED TRANSACTIONS

There are none.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these consolidated financial statements include, among others, the fair values of share-based payments and the valuations of long-lived assets and lease liabilities.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the going concern assessment of the Company, the expected economic lives of and the estimated future operating results and net cash flows from long-lived assets, the determination of functional currencies of the Company and its subsidiaries, the determination of whether an acquisition is a business combination or an asset acquisition and the determination of incremental borrowing rates used in valuations of lease liabilities.

CHANGES IN ACCOUNTING POLICIES

Accounting Standards and Interpretations Adopted on February 1, 2023

IAS 1 Presentation of Financial Statements

IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted.

IAS 1 has also been amended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 has been amended to introduce the definition of an accounting estimate and include other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

In accordance with IFRS, financial assets are classified into one of the following categories: amortized cost, fair value through other comprehensive income or fair value through profit or loss. Amounts receivable, excluding tax receivables, are classified as amortized cost. Their carrying values approximate fair value due to their limited time to maturity and ability to convert them to cash in the normal course. Financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss. The Company's accounts payable and accrued liabilities, due to related parties, financial guarantee liability, convertible debentures and loans payable are measured at amortized cost. The Company's warrant liabilities are measured at FVTPL. The carrying values of amounts receivable excluding tax receivables, due to related parties and amounts payable and accrued liabilities approximate the fair values due to the short-term nature of these items. The fair values of financial guarantee liability and loans payable are partially derived from market interest rates. The risk of material change in fair value is not considered to be significant due to a relatively short-term nature.

BetterLife recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any). The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is determined to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the consolidated statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

a. Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
b. Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
c. Level 3 – inputs for the asset or liability are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At January 31, 2023 and 2022, cash was measured and recognized in the consolidated statement of financial position using Level 1 inputs in the fair value hierarchy. Warrant liabilities were measured and recognized in the consolidated statement of financial position at fair values that are categorized as Level 3 in the fair value hierarchy.

SHARE DATA

The following table sets forth the outstanding common share, warrants, special warrants, compensation options, stock options, restricted share units and performance share units data for the Company as at May 29, 2023:

	Authorized	Issued
Common shares	Unlimited	108,675,305
Warrants		49,352,072
Compensation options		2,486,803
Stock options		10,645,000
Performance share units		25,000

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's audited year-end financial results and unaudited quarterly financial results, can be accessed on SEDAR (www.sedar.com) and in the United States on EDGAR (www.sec.gov/edgar).