FORM 51-102F4
BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

GreenStar Biosciences Corp (the "**Company**")
Suite 717 – 1030 West Georgia Street
Vancouver, BC, V6E 2Y3

1.2 Executive Officer

Thomas Baird
Chief Executive Officer
(604) 834-9499

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Effective July 27, 2020, the Company acquired all the issued and outstanding shares of Eleusian Biosciences Corp. ("**Eleusian**") by way of a share exchange agreement. Eleusian is focused on development of therapeutics for multiple pathological psychological diseases.

Eleusian is collaborating with a multidisciplinary team of scientists and physicians at the University of Miami to develop effective therapeutics for the treatment of mild traumatic brain injury / concussion with post traumatic stress disorder.

The acquisition expands the Company's portfolio of brands adding intellectual property portfolio, including four provisional patent applications in the U.S., further capitalizing on the emerging psychedelic medicine sector.

2.2 Date of Acquisition

July 27, 2020

2.3 Consideration

On the closing of the Acquisition, the Company acquired 100% of Eleusian's issued and outstanding common shares being 19,255,657 common shares in exchange for 60,200,056 common shares of the Company (each a "**Share**"). The Shares are subject to voluntary pooling arrangements, pursuant to which 25% of the Shares were released on July 27, 2020 and further 25% releases will occur every three months.

In addition, the Company also issued 3,001,002 common shares of the Company to an arms-length party as a finder's fee. The finder's fee has been allocated to the purchase price.

2.4 Effect on Financial Position

The effect of the Acquisition on the Company's financial position is outlined in the Company's unaudited proforma consolidated financial statements which are attached to this Business Acquisition Report ("**Report**") and referred to in Item 3 below.

On the closing of the Acquisition, the Company appointed of Mr. Jonathan Gilbert to the Company's board of directors and Mr. Maghsoud Dariani as its Chief Science Officer.

The Company does not presently have any plans or proposals for any other material changes in its business affairs, or the affairs of Eleusian which may have a significant effect on the financial performance or position of the Company, including any proposal to liquidate the business of the Company or Eleusian, to sell, lease or exchange all or a substantial parts of its assets, to amalgamate the business organization or to make any other material changes to the business of the Company or Eleusian.

2.5 Prior Valuations

No valuation opinions were obtained in the last 12 months by the Company, or Eleusian required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company in connection with the Acquisition.

2.6 Parties to Transaction

The Acquisition was not with an informed person (as such term is defined in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*), associate or affiliate of the Company.

2.7 Date of Report

August 17, 2020.

Item 3 Financial Statements

Pursuant to Part 8 of National Instrument 51-102, the audited financial statements of Eleusian for the period from April 6, 2020 (date of incorporation) to June 30, 2020, together with the notes thereto and the auditor's report thereon (the "**Annual Financial Statements**"), are incorporated by reference herein and attached as Schedule A. Eleusian's auditors have given their consent to include their audit report contained in the Annual Financial Statements in this Report.

In addition, pursuant to Part 8 of National Instrument 51-102, the following financial statements are attached as Schedule B to this Report, and are included as part of this Report:

(a) Unaudited *pro-forma* consolidated financial statements of the Company for the year ended May 31, 2020, together with the notes thereto.

SCHEDULE A

ELEUSIAN BIOSCIENCES CORP.

ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD FROM APRIL 6, 2020 (DATE OF INCORPORATION) TO JUNE 30, 2020
(In Canadian Dollars)

UNIT# 168
4300 NORTH FRASER WAY
BURNABY, BC, V5J 5J8

T: **604.318.5465**
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Adam Kim
ADAM SUNG
KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Eleusian Biosciences Corp.

Opinion
I have audited the financial statements of Eleusian Biosciences Corp. (the "Company"), which comprise the statement of financial position as at June 30, 2020, and the statement of loss and comprehensive loss, statement of cash flows and statement of changes in equity for period from the date of incorporation April 6, 2020 to June 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flow for period from the date of incorporation April 6, 2020 to June 30, 2020 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern
I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $24,787 during the year ended June 30, 2020 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of $24,787 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
July 30, 2020

(Expressed in Canadian dollars)

	Note	June 30, 2020
		$
Assets		
Cash and cash equivalents		**285,182**
Prepayment and other receivables		**22,372**
Current and Total Assets		**307,554**
Liabilities		
Accounts payable and accrued liabilities		**44,583**
Current and Total Liabilities		**44,583**
Shareholders' Equity		
Share capital	4	**287,333**
Contributed surplus		**425**
Accumulated deficit		**(24,787)**
Total Shareholders' Equity		**262,971**
Total Liabilities and Shareholders' Equity		**307,554**

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

Nature and continuance of operations *(note 1)*
Subsequent events *(note 9)*

Approved and authorized for issue by the Board of Directors on July 30, 2020

"Jonathan Gilbert"
Director

"Mike Dai"
Director

ELEUSIAN BIOSCIENCES CORP.
Statement of Loss and Comprehensive Loss
For the period from April 6, 2020 (date of incorporation) to June 30, 2020
(Expressed in Canadian dollars)

	Period from Incorporation to June 30, 2020 $
Operating Expenses:	
Professional fees	**19,317**
Marketing expenses	**2,064**
General and administration	**2,981**
Share-based compensation	**425**
Net loss and total comprehensive loss for the period	**(24,787)**
Loss per share, basic and diluted	**$(0.00)**
Weighted average shares outstanding, basic and diluted	**6,102,255**

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

(Expressed in Canadian dollars)

	Note	Number of Shares	Common Shares $	Contributed Surplus $	Deficit $	Total $
Balance, April 6, 2020		-	-	-	-	-
Issuance of common shares at $0.005	4	6,000,000	30,000	-	-	30,000
Issuance of common shares at $0.02	4	12,091,667	241,833	-	-	241,833
Share issuance costs	4	-	(6,500)	-	-	(6,500)
Issuance of common shares for services	4	1,100,000	22,000	-	-	22,000
Share-based compensation	5	-	-	425	-	425
Net loss for the period		-	-	-	(24,787)	(24,787)
Balance, June 30, 2020		19,191,667	287,333	425	(24,787)	262,971

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

(Expressed in Canadian dollars)

	June 30, 2020 $
Cash flow from operating activities	
Net loss for the period	(24,787)
Add: items not involving cash:	
Share-based compensation	425
Changes in non-cash working capital items:	
Increase in prepayment and other receivables	(22,372)
Increase in accounts payable and accrued liabilities	44,583
Cash flow used in operating activities	(2,151)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issuance of common shares	293,833
Share issuance costs	(6,500)
Cash flow from financing activities	287,333
Increase in cash	285,182
Cash, beginning of period	-
Cash, end of period	285,182
Non-cash transactions	
Shares issued for fees	22,000

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

1. Nature and Continuance of Operations

Eleusian Biosciences Corp. was incorporated under the *Business Corporations Act (Ontario)* on April 6, 2020. The Company's registered office is located at 200-366 Bay St., Toronto, Ontario M5H 4B2. The Company's current principal business activity focuses on the development of therapeutics for neuropsychiatric disorders with psychedelic compounds.

At June 30, 2020, the Company had not yet achieved profitable operations, has accumulated losses of $24,787 since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these financial statements.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in during the year ended June 30, 2021.

2. Basis of Presentation

(a) Statement of compliance

These annual financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The accounting policies set out below have been applied consistently to all periods presented.

(b) Basis of presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.

(c) Functional and presentation currency

The Company's functional currency, as determined by management, is the Canadian dollar. These financial statements are presented in Canadian dollars.

2. Basis of Presentation (Continued)

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management has applied significant estimates and assumptions related to the following:

Fair value of stock options

Management uses the Black-Scholes option-pricing model to calculate the fair value of stock options. Use of this method requires management to make assumptions and estimates about the expected life of options, the risk free rate, and the volatility of the Company's share price. In making these assumptions and estimates, management relies on historical market data.

3. Significant Accounting Policies

A summary of the significant accounting policies, which have been applied consistently to all periods presented in the accompanying financial statements are set out below:

Research and development

Research costs are expensed in the year incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and developments costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditures will be expensed as incurred. No development costs have been capitalized to date.

Financial instruments

Effective April 6, 2020 (date of incorporation), the Company has adopted IFRS 9 Financial Instruments, replacing existing standards and interpretations, including IAS 39 Financial Instruments: Recognition and Measurement. The application of IFRS 9 has not resulted in any differences between the previous carrying amounts and the carrying amounts at the date of initial application of IFRS 9. The adoption of IFRS 9 resulted in changes in accounting policies which are described below.

3. Significant Accounting Policies (continued)

Financial instruments (continued)
Classification

On initial recognition, the Company determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through profit or loss (FVTPL)
3. Measured at fair value through other comprehensive income (FVOCI)

The classification under IFRS9 is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Assets held for the collection of contractual cashflows and for which those cashflows correspond solely to principal repayments and interest payments are measured at amortized cost. Contracts with embedded derivatives where the host is a financial instrument in the scope of the standard will be assessed as a whole for classification.

A financial asset is measured at amortized cost if both of the following criteria are met:

1. Held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company may irrevocably elect, on initial recognition, to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives), or if the Company has chosen to evaluate them at FVTPL.

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Amortized cost – The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount on initial recognition.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Fair value through profit or loss – Changes in fair value after initial recognition, whether realized or not, are recognized through the statement of loss and comprehensive loss. Income arising in the form of interest, dividends, or similar, is recognized through the statement of loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Fair value through other comprehensive income – Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the statement of loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Impairment

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

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Gains and losses from the derecognition are recognized in the statement of loss and comprehensive loss.

Financial liabilities – The Corporation derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the statement of loss and comprehensive loss.

Loss per common share, basic and diluted

Basic loss per share is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. Stock options have been excluded from the calculation of diluted loss per share because their effect is anti-dilutive.

3. Significant Accounting Policies (continued)

Income taxes

Income taxes are comprised of current and deferred tax. Income tax is recognized in the statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case the income tax is also recognized directly in shareholders' equity.

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

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted at the statements of financial position dates and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable the assets can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

Stock-based compensation and issuance of stock for non-cash consideration

The Company records stock-based compensation related to employee stock options granted using the estimated fair value of the options at the date of grant. The estimated fair value is expensed as employee benefits over the period in which employees unconditionally become entitled to the award. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related services and non-market performance conditions at the vesting date. The corresponding charge is to contributed surplus. Any consideration paid on the exercise of stock options is credited to common shares.

The Company estimates the fair value of stock options granted using the Black-Scholes valuation model. This model requires the Company to make estimates and assumptions including, among other things, estimates regarding the length of time an employee will retain vested stock options before exercising them, the estimated volatility of the Company's common share price and the number of options that will be forfeited prior to vesting. Changes in these estimates and assumptions can materially affect the determination of the fair value of stock-based compensation and consequently, the related amount recognized in the Company's statements of loss and comprehensive loss.

For equity-settled share-based payment transactions, the Company measures the goods and services received, and the corresponding increase in equity, directly, at the fair value of goods and services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it measures their value by reference to the fair value of the equity instrument granted. Transactions measured by reference to the fair value of the equity instrument granted have their fair values re-measured each vesting and reporting date until fully vested.

4. Shareholders' Equity

Authorized share capital

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

Outstanding share capital

1) On April 15, 2020, the Company issued 6,000,000 common shares valued at $0.005 per share for gross proceeds of $30,000.
2) On May 15, 2020, 1,100,000 common shares valued at $0.02 per share were issued to a consultant of the Company for consulting services.
3) On June 30, 2020, the Company completed non-brokered financings through the issuance of 12,091,667 common shares valued at $0.02 per share for gross proceeds of $241,833. The Company incurred share issuance cost of $6,500 in the form of legal fees.

Incentive stock options

The Company has stock-based compensation arrangements to encourage ownership of the Company's common shares by its officers, directors, employees and certain non-employees. The maximum number of common shares granted, vesting period and contractual life of the options under these arrangements shall be determined from time to time by the Board. The exercise price for each option shall be determined by the Board based on the fair market value of the Company's common shares on the date of grant, as estimated using the Black-Scholes model.

The following table summarizes the Company's stock option activity for the periods indicated:

	Number of Options	**Weighted average exercise price**
		$
Outstanding, April 6, 2020	-	-
Granted	80,000	0.075
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding, June 30, 2020	**80,000**	**0.075**

During the period ended June 30, 2020, 80,000 options were granted, which vest over 9 months and exercise price of $0.075. The options had an aggregate value of $865.

The Company recognized $425 of expense related to stock options vested for the period ended June 30, 2020.

4) Shareholders' Equity (continued)

Incentive stock options (Continued)

The fair value of each group of stock options on the date granted was estimated using the Black-Scholes valuation model. The following assumptions were used:

		2020
Volatility		100%
Risk-free interest rate		0.43%
Expected life (years)		5 years
Dividend yield		Nil
Forfeiture rate		-
Share price	$	0.02

The following table presents information related to stock options outstanding as June 30, 2020:

Weighted average exercise price	Number of Options	Vested	Weighted average remaining life (years)
$0.075	80,000	20,000	4.87
Outstanding, June 30, 2020	**80,000**	**20,000**	**4.87**

5. Related Party Transactions

Key management includes directors and officers of the Company. No related party transactions were noted during the period ended June 30, 2020.

6. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of issued common shares, contributed surplus and accumulated deficit. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares.

There have been no changes to the Company's objectives and what it manages as capital since inception. The Company is not subject to externally imposed capital requirements.

7. Financial Instruments and Risk Management

Financial Instruments

The Company has classified its cash and cash equivalents as fair value through profit and loss ("FVTPL"). Other receivables have been classified as loans and receivables. Accounts payable and accrued liabilities have been classified as other financial liabilities.

The carrying values of cash and cash equivalents, other receivables and accounts payable and accrued liabilities approximate their fair values due to their short periods to maturity.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3 – inputs for assets and liabilities not based upon observable market data

7. Financial Instruments and Risk Management (continued)

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. The Company's cash and cash equivalents are held at lawyer's trust accounts. The Company regularly monitors its credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss.

(b) Liquidity risk

The Company is exposed to liquidity risk or the risk of not meeting its financial obligations as they come due. The Company constantly monitors and manages its cash flows to assess the liquidity necessary to fund operations. All of the Company's financial liabilities are due within one year.

8. Income taxes

A reconciliation of income taxes at the statutory rate with the reported taxes is as follows:

	2020 $
Loss before income taxes	(24,787)
Combined federal and provincial tax rate	26.5%
Expected income tax recovery	(6,569)
Share-based compensation and non-deductible expenses	(1,609)
Change in unrecognized deductible temporary differences	8,178
Income tax expense (recovery)	-

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

	2020 $
Non-capital loss carry forward and others	8,178
Total	8,178

The Company has approximately $26,000 of non-capital losses available, which will expire through to 2040 and may be applied against future taxable income. At June 30, 2020, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

9. Subsequent events

Subsequent to year end, the Company issued 63,990 common shares upon the exercise of stock options.

9. Subsequent events (continued)

On July 20, 2020, the Company signed a definitive agreement with GreenStar Biosciences Corp. ("GreenStar"), under which GreenStar would acquire 100% of the issued and outstanding shares of the Company in exchange for 60,200,056 common shares of GreenStar (the "Transaction"). On July 27, 2020, the Transaction was completed by the issuance of 60,200,056 common shares of GreenStar and the Company has become a wholly-owned subsidiary of GreenStar.

SCHEDULE B

GREENSTAR BIOSCIENCES

GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

For the year ended May 31, 2020

(Expressed in Canadian dollars)

(Unaudited)

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited pro forma consolidated financial statements give effect to the transaction between GreenStar Biosciences Corp. ("GreenStar" or the "Company") and Eleusian Biosciences Corp. ("Eleusian") under the acquisition method of accounting. The unaudited pro forma consolidated statement of financial position gives effect to the acquisition (the "Acquisition") as if it had closed on May 31, 2020. The unaudited pro forma consolidated statements of loss and comprehensive loss for the year ended May 31, 2020 give effect to the Acquisition as if it had closed on April 1, 2019. The actual closing date of the transaction was July 27, 2020.

The unaudited pro forma consolidated financial statements are based on the audited and unaudited consolidated financial statements of GreenStar as at and for the year ended August 31, 2019 and the nine month periods ended May 31, 2020 and 2019, respectively, and the audited financial statements of Eleusian as at June 30, 2020 and for the period from April 6, 2020 (date of incorporation) to June 30, 2020.

The unaudited pro forma consolidated financial statements are presented for informational purposes only. The pro forma adjustments are based upon available information and certain assumptions that the Company believes are reasonable in the circumstances, as described in the notes to the unaudited pro forma consolidated financial statements. The unaudited pro forma consolidated financial statements do not give effect to any potential cost savings and operating synergies, if any, that may result from the Acquisition.

The unaudited pro forma information presented, including allocation of purchase price, is based on preliminary estimates of fair values of assets acquired and liabilities assumed, available information and assumptions and may be revised as additional information becomes available. The actual adjustments to the consolidated financial statements upon the closing of the Acquisition will depend on a number of factors, including additional information available and the net assets of Eleusian on the closing date of the Acquisition. Therefore, the actual adjustments will differ from the preliminary pro forma adjustments and the differences may be material. For example, the final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations including but not limited to the valuation of intangible assets acquired. Any final adjustment may change the allocation of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma consolidated financial statements.

GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at May 31, 2020

(Expressed in Canadian dollars) - Unaudited

	GreenStar	Eleusian	Pro forma adjustments	Notes	Pro forma consolidated
ASSETS					
Current					
Cash	$ 44,294	$ 285,182	$ -		$ 329,476
Receivables	698,150	-	-		698,150
Prepaid expenses and deposits	19,070	22,372	-		41,442
Promissory note receivable	744,278	-	-		744,278
	1,505,792	307,554	-		1,813,346
Deposit	82,722	-	-		82,722
Intangible asset	3,967,417	-	2,897,082	4	6,864,499
Lease asset	347,879	-	-		347,879
Right of use	388,579	-	-		388,579
Deferred acquisition cost	68,935	-	-		68,935
Total assets	$ 6,361,324	$ 307,554	$ 2,897,082		$ 9,565,960
LIABILITIES AND EQUITY					
Current					
Accounts payable and accrued liabilities	$ 440,722	$ 44,583	$ -		$ 485,305
Current lease liability	181,785	-	-		181,785
	622,507	44,583	-		667,090
			-		
Lease liability	225,853	-	-		225,853
Total liabilities	848,360	44,583	-		892,943
Shareholders' Equity					
Share capital	9,997,347	287,333	2,872,720	4	13,157,400
Reserves	2,383,776	425	(425)		2,383,776
Accumulated other comprehensive income	283,582	-	-		283,582
Deficit	(7,151,741)	(24,787)	24,787		(7,151,741)
Total Equity	5,512,964	262,971	2,897,082		8,673,017
Total liabilities and shareholders' equity	$ 6,361,324	$ 307,554	$ 2,897,082		$ 9,565,960

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

GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)

PRO FORMA CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the year ended May 31, 2020

(Expressed in Canadian dollars, except share numbers) - Unaudited

	GreenStar	Eleusian	Pro forma adjustments	Notes	Pro forma consolidated
Revenue					
License royalties	$ 429,869	$ -	$ -		$ 429,869
Rental income	450,515	-	-		450,515
	880,384	-	-		880,384
Operating expenses					
General and administrative	130,137	2,981	-		133,118
Insurance	118,693	-	-		118,693
Advertising	845,207	2,064	-		847,271
Rent expense	91,213	-	-		91,213
Bad debt expense	176,381	-	-		176,381
Professional fees	355,846	19,317	-		375,163
Consulting fees	176,718	-	-		176,718
Management fees	332,368	-	-		332,368
Interest expense	34,771	-	-		34,771
Amortization	215,052	-	-		215,052
Depreciation	299,514	-	-		299,514
Share-based compensation	1,046,684	425	-		1,047,109
	3,822,584	24,787	-		3,847,371
Loss before other items	(2,942,200)	(24,787)	-		(2,966,987)
Other items					
Foreign exchange loss	24,976	-	-		24,976
Other income	(36,062)	-	-		(36,062)
Listing expense	8,713	-	-		8,713
Loss on derecognition of derivative liability	7,909	-	-		7,909
Change in fair value of derivative liability	(4,308)	-	-		(4,308)
Net loss	(2,943,428)	(24,787)	-		(2,968,215)
Other comprehensive income					
Translation adjustment	75,028	-	-		75,028
Comprehensive loss	$ (2,868,400)	$ (24,787)	$ -		$ (2,893,187)
Net loss per share					
Basic and Diluted	$ (0.04)	$ (0.00)	$ -		$ (0.02)
Weighted average number of shares outstanding					
Basic and Diluted	68,188,268	6,102,255	63,201,058	7	131,389,326

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

1. NATURE OF OPERATIONS

GreenStar Biosciences Corp. (formerly Bethpage Capital Corp.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 13, 2010. The head office, principal address and registered office of the Company are located at 717 – 1030 West Georgia Street, Vancouver, B.C. V6E 2Y3.

On May 30, 2019, the Company completed a reverse takeover with Green Star Biosciences Inc. The transaction was accounted for as a reverse acquisition ("RTO"). On May 30, 2019, the Company changed its name to GreenStar Biosciences Corp. The Company's common shares are listed under the symbol "GSTR" on the Canadian Securities Exchange and under the symbol "GTSIF" on the OTCQX.

The Company owns acquired brands, owns intellectual property and leases office and production premises to a cannabis processor and retailer. It is a technology and services company that provides real estate, financial, management, IP and branding support to licensed cannabis businesses.

On July 27, 2020, the Company acquired all the outstanding common shares of Eleusian Biosciences Corp ("Eleusian").

2. BASIS OF PREPARATION

The accompanying unaudited pro forma consolidated financial statements give effect to the acquisition by GreenStar of Eleusian as described in the Business Acquisition Report ("BAR") dated August 17, 2020 (the "Acquisition"). The accompanying unaudited pro forma consolidated financial statements have been prepared by management of GreenStar and are derived from the audited consolidated financial statements of GreenStar for the year ended August 31, 2019 and the unaudited financial statements of GreenStar as at and for the nine months ended May 31, 2020 and 2019, and the audited financial statements of Eleusian as at and for the period from April 6, 2020 (date of incorporation) to June 30, 2020.

The accompanying unaudited pro forma consolidated financial statements should be read in conjunction with the description of the Acquisition provided in the BAR, the audited financial statements of Eleusian, including the notes thereto, incorporated by reference in the BAR, and the historical unaudited and audited consolidated financial statements of GreenStar, including the notes thereto.

The accompanying unaudited pro forma consolidated financial statements may not be indicative of the results that would have been achieved if the transactions reflected therein had been completed on the dates indicated or the results which may be obtained in the future. For instance, the actual purchase price allocation will reflect the fair value, at the purchase date, of the assets acquired and liabilities assumed based upon the Company's evaluation of such assets and liabilities following the closing of the Acquisition.

2. BASIS OF PREPARATION (continued)

Accordingly, the final purchase price allocation may differ materially from the preliminary allocation reflected herein. The underlying assumptions for the pro forma adjustments provide a reasonable basis for presenting the significant financial effects directly attributable to the Acquisition. These pro forma adjustments are preliminary and are based on currently available financial information and certain estimates and assumptions. GreenStar has performed a preliminary valuation analysis of Eleusian's assets to be acquired and liabilities to be assumed. This preliminary valuation has been used to prepare pro forma adjustments in the preliminary purchase price allocation presented in the unaudited pro forma consolidated financial statements. The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The actual adjustments to the unaudited pro forma consolidated financial statements will depend on a number of factors. Therefore, it is expected that the actual adjustments will differ from the preliminary pro forma adjustments, and the differences may be material.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these unaudited pro forma consolidated financial statements are those set out in GreenStar's audited consolidated financial statements as at and for the year ended August 31, 2019 and interim condensed consolidated financial statements as at and for the nine months ended May 31, 2020. In preparing the unaudited pro forma consolidated financial statements, a review was undertaken to identify accounting policy differences between GreenStar and Eleusian where the impact was potentially material. The significant accounting policies of Eleusian conform in all material respects to those of GreenStar.

4. PRELIMINARY PRO FORMA PURCHASE PRICE ALLOCATION

On July 27, 2020, the Company acquired all the issued and outstanding common shares of Eleusian, for total fair value consideration of $3,010,003 comprised of 60,200,056 common shares of the Company at a fair value of $0.05 per share. The Company also issued 3,001,002 common shares of the Company at a fair value of $0.05 per share to an arms-length party as a finder's fee. The finder's fee has been allocated to the purchase price.

The Transaction has been accounted for by the Company as a purchase of assets and liabilities. The Transaction did not qualify as a business combination under IFRS 3 - *Business Combinations*, as the significant inputs, processes and outputs, that together constitute a business, do not currently exist. The primary assets of Eleusian was the provisional patent applications in the United States.

(Expressed in Canadian dollars, except where noted) - Unaudited

4. PRELIMINARY PRO FORMA PURCHASE PRICE ALLOCATION (continued)

The total consideration was allocated to the assets acquired and liabilities based on their relative fair values on the Closing Date as follows:

Purchase price		
Fair value of 60,200,056 common shares issued	$	3,010,003
Fair value of 3,010,002 common shares issued as finder's fee		150,050
Total consideration	**$**	**3,160,053**
Purchase price allocation		
Cash	$	285,182
Prepaid expenses and deposits		22,372
Intangible assets – patent application		2,897,082
Accounts payable and accrued liabilities		(44,583)
Net assets acquired	**$**	**3,160,053**

Common shares of the Company were issued on the Closing Date with 45,150,042 common shares being subject to voluntary pooling arrangements ("Pooling Shares"). The Pooling Shares will vest in quarterly instalments over 9 months from the Closing Date.

5. PRO FORMA EARNINGS PER SHARE

Net loss per common share is calculated by dividing the pro forma net loss applicable to common shares by the weighted average number of common shares outstanding for the year ended May 31, 2020 and reflects the issuance of 63,210,058 GreenStar common shares, as if the issuance had taken place on June 1, 2019.

6. ISSUED CAPITAL

GreenStar's issued and outstanding common shares as at May 31, 2020, assuming the additional shares resulting from transactions described in note 4 had taken place on June 1, 2019, are as follows:

	Number of common shares		Amount
Balance, May 31, 2020	68,188,268	$	9,997,347
Share consideration issued in connection with:			
Eleusian acquisition	60,200,056		3,010,003
Finder's fee	3,001,002		150,050
Pro forma balance, May 31, 2020	**131,389,326**	**$**	**13,157,400**

(Expressed in Canadian dollars, except where noted) - Unaudited

7. CONSTRUCTION OF GREENSTAR HISTORICAL FINANCIAL STATEMENTS

GreenStar's unaudited condensed interim consolidated statement of loss and comprehensive loss for the year ended May 31, 2020:

	Year ended August 31, 2019	Nine months ended May 31, 2020	Nine months ended May 31, 2019	Year ended May 31, 2020
	A	B	C	D = A + B - C
Revenue				
License royalties	332,755	362,875	265,761	429,869
Rental income	441,037	340,558	331,080	450,515
	773,792	703,433	596,841	880,384
Operating expenses				
General and administrative	157,158	52,248	79,269	130,137
Insurance	45,580	73,113	-	118,693
Advertising	472,726	695,250	322,769	845,207
Rent expense	223,520	33,235	165,542	91,213
Bad debt expense	36,451	139,930	-	176,381
Professional fees	424,680	187,684	256,518	355,846
Consulting fees	325,231	114,723	263,236	176,718
Management fees	385,222	181,423	234,277	332,368
Interest expense	-	34,771	-	34,771
Amortization	210,411	161,739	157,098	215,052
Depreciation	160,628	259,137	120,251	299,514
Share-based compensation	1,234,697	772,286	960,299	1,046,684
	3,676,304	2,705,539	2,559,259	3,822,584
Loss before other items	(2,902,512)	(2,002,106)	(1,962,418)	(2,942,200)
Other items				
Foreign exchange loss	84,156	21,088	80,268	24,976
Other income	(34,224)	(22,717)	(20,879)	(36,062)
Listing expense	1,735,263	-	1,726,550	8,713
(Gain) loss on derecognition of derivative liability	(8,639,835)	-	(8,647,744)	7,909
Change in fair value of derivative liability	4,706,559	-	4,710,867	(4,308)
Net loss	(754,431)	(2,000,477)	188,520	(2,943,428)
Other comprehensive income				
Translation adjustment	94,522	188,641	208,135	75,028
Comprehensive loss	(659,909)	(1,811,836)	396,655	(2,868,400)
Net loss per share				
Basic and Diluted	(0.01)	(0.03)	0.01	(0.04)
Weighted average number of shares outstanding				
Basic and Diluted	47,809,947	68,188,268	45,563,949	68,188,268