GLOBAL HEALTH CLINICS LTD.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2023

(Prepared by Management and dated on November 28, 2023)

400-837 West Hastings Street

Vancouver, BC, V6C 3N6

Tel: (604) 283-1722

MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”) AS OF NOVEMBER 28, 2023 TO ACCOMPANY THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GLOBAL HEALTH CLINICS LTD. (THE “COMPANY”) FOR THE YEAR ENDED JULY 31, 2023.

This MD&A is dated November 28, 2023.

The following MD&A should be read in conjunction with the audited consolidated financial statements of the Company for the year ended July 31, 2023, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the medicinal marijuana industry. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See “Risks and Uncertainties” in this MD&A for more information).

DESCRIPTION OF THE BUSINESS

Overview

Global Health Clinics Ltd. (the “Company”) was incorporated on March 18, 2013 in the Province of British Columbia. On August 24, 2018, the Company changed its name to Global Health Clinics Ltd. The Company commenced trading on the Canadian Securities Exchange under the symbol MJRX on August 29, 2018. The head office of the Company is located at 837 West Hastings Street, Suite 400, Vancouver, BC, Canada, V6C 3N6.

The Company engages in the cannabis industry and operates medical clinics which guide patients through the process of becoming legal users of marijuana. Through one of its subsidiaries, the Company was also engaged in developing psilocybin products for research and their potential usage for pharmaceutical purposes, but no longer pursuing this development.

Since 2018, the Company closed acquisitions of Green Life Clinics Ltd. (“GLC”) which holds all of the issued and outstanding securities of Patient Access Pavilions Ltd. (“PAP”) and MCRCI Medicinal Cannabis Resource Centre Inc. (“MCRCI”).

On May 5, 2020, the Company acquired all of the issued and outstanding shares of Anytime Health Corp. (“AHC”), a private British Columbia corporation. The acquisition was an arm’s length transaction and did not constitute a fundamental change for the Company, nor did it result in a change of control of the Company.

On November 18, 2020, the Company acquired all of the issued and outstanding shares of 2770914 Ontario Inc. (“H2H”), a private Ontario corporation. The acquisition was an arm’s length transaction and did not result in a change of control of the Company.

On January 20, 2021, the Company acquired all of the issued and outstanding shares of 2756407 Ontario Ltd. (Wonder), a private Ontario corporation. The acquisition was an arm’s length transaction and did not result in a change of control of the Company.

On November 9, 2021, the Company signed a memorandum of understanding with Cultivarium. The partnership will allow Wonder to research and develop psilocybin products to become a supplier of clean-start psilocybe genetics for psychedelics research and novel drug development sectors. Cultivarium is focused on developing new products to supply clinical trials, regulated markets and resellers, as well as creating custom active pharmaceutical formulations and contract manufacturer quality agreements. During the year ended July 31, 2022, the Company did not proceed with the Cultivarium partnership.

As of the date of this report, the Company focuses its business in virtual clinic by looking into expanding its telemedicine service beyond cannabis and into everyday health concerns. The Company has begun investigating potential targets for acquisition in Canada and the United States. Following the COVID-19 outbreak there has been a rapid adoption of telemedicine services for physicians and patients. The idea of telemedicine with centralized hub with synchronous and asynchronous telehealth services will be able to provide rural and tribal communities with adequate and improved healthcare in combination with clinics, hospitals and pharmacies. Specifically, the Company is exploring avenues in the lucrative niche telemedicine markets including dermatology, behavioral health, and correctional healthcare. Teledermatology is a growing area because it uses a "store and forward" system where images are transmitted to dermatologists, who may be in another state or province. They send their diagnosis to the referring physician or the patient. But dermatologists can also interact with patients in video exchanges. Behavioral health telemedicine lends itself to psychology in some ways because it focuses on a conversation between a therapist or physician and a patient. Correctional healthcare is for privately managed prisons looking to cut costs by looking at telemedicine. These are a few of the potential services the company will be looking to potentially expand into.

The Company is also open to opportunities in cannabis and psilocybin space.

Corporate History

On August 24, 2018, the Company acquired all of the issued and outstanding securities of GLC which holds all of the issued and outstanding securities of PAP and MCRCI.

On July 26, 2019, the Company begun implementation of AdvancedCare. AdvancedCare is a software system which will enable the Company to make patient booking and tracking a more efficient and streamlined approach. By implementing AdvancedCare, the Company will be able to reduce staffing costs as the need for booking agents and support staff will be reduced significantly. The patient aftercare and doctor interaction will continue to be of utmost importance in order to maintain the reputation and standard of support given to current and onboarding patients

During the year ended July 31, 2019, the Company completed a letter of intent with Integrative Alternative Health Services (“IAHS”) to purchase all the property and assets of IAHS for $15,000 cash and 8,000 common shares. The Company paid the cash consideration of $15,000 during the year ended July 31, 2019, which was recorded as a deposit. The Company did not intend to complete the acquisition, therefore, a loss on deposit of $15,000 was recorded during the year ended July 31, 2021.

On May 5, 2020, the Company closed and acquired all of the issued and outstanding shares of Anytime Health Corp., a private British Columbia corporation.

On May 22, 2020, the Company consolidated its issued and outstanding share capital on the basis of up to one post-consolidation share for each ten pre-consolidation common shares.

On November 18, 2020, the Company acquired all of the issued and outstanding shares of 2770914 Ontario Inc. (H2H), a private Ontario corporation.

On January 20, 2021, the Company acquired all of the issued and outstanding shares of 2756407 Ontario Ltd. (Wonder Scientific), a private Ontario corporation.

On July 7, 2022, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated common share for every 20 pre-consolidated share.

As at November 28, 2023, MCRCI currently operates a virtual clinic in British Columbia via affiliate agreements with doctors.

Educational Support Agreement with a Licensed Producer

The Company's subsidiary, Medicinal Cannabis Resource Centre Inc. (MCRC), entered into an agreement with Tilray Canada Ltd. (Tilray) on January 1, 2018 (the Tilray Agreement). Pursuant to the Tilray Agreement, MCRCI agreed to provide educational support to potential clients of Tilray in return for Tilray providing a rebate to MCRCI. The rebate is calculated on an individual-client basis by taking a percent of the gross revenue attributable to the products purchased from Tilray by a client that MCRCI provided education support and registered for Tilray's program. The Tilray Agreement provides for cooperation between MCRCI and Tilray, but does not require the unanimous consent of MCRCI and Tilray for actions taken in furtherance of the Tilray Agreement and does not prevent either party from making unilateral decisions. Pursuant to the Tilray Agreement, MCRCI may provide educational information regarding Tilray products to potential clients. However, Tilray has no control over the potential clients' selection made by MCRCI. Tilray is responsible for the acceptance, opening, and serving of the potential clients in regard to purchasing cannabis products. MCRCI has no control over Tilray's decision on accepting said potential clients. Both MCRCI and Tilray have no control over whether the potential clients make the purchase of products by Tilray after educational support is provided by MCRCI and after Tilray accepts the client.

The Company and Tilray worked together in adding patients under the Access to Cannabis for Medical Purposes Regulations system. Tilray, which is located on Vancouver Island, provided dedicated staff members not just throughout British Columbia but nationally to educate and support the staff of the Company when talking to patients and issuing ACMPR licenses during business hours. Further Tilray would give the Company patients priority processing/on-boarding, allowing them to order instantaneously, significantly decreasing patient processing/ordering time.

In May 2021, Tilray Inc merged with Aphria Inc.

During the year ended July 31, 2023, the Company recognized $36,019 (2022 - $55,220) income from the education fees derived from the agreements with other licensed producers which was included in the total sales during the year ended July 31, 2023.

Management Changes

On October 26, 2020, the Company appointed Andrew Parks to the board of directors. The Company also announced the resignation of Amin Lahijani as a director.

On January 20, 2022, the Company appointed Amin Lahijani to the board of directors. The Company also announced the resignation of Andrew Parks as a director.

The current composition of the Company's board of directors is as follows: Jatinder Dhaliwal, Usama Chaudhry, Judy Su, and Amin Lahijani.

Corporate Governance

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent discussions with management and regular meetings of the Board.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

While the Company does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Company, technical reports, internal financial information, and management and technical experts and consultants.

FINANCIAL STATEMENTS GOING CONCERN ASSUMPTION

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern under IFRS. The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations.

The Company's operations to date have been financed by issuing common shares and debt instruments. The Company's ability to continue as a going concern is dependent upon its ability to commence profitable operations, generate funds therefrom and raise additional financing in order to meet current and future obligations. The current cash position on hand and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, joint venture arrangements or a combination thereof. There is no assurance that additional funding or suitable joint venture arrangements will be available on a timely basis or on terms acceptable to the Company.

During the year ended July 31, 2023, the Company recorded net loss of $1,625,195 (2022 - $1,369,188). As at July 31, 2023, the Company had a working capital deficit of $1,876,303 (2022 - $527,263) and had an accumulated deficit of $35,359,252 (2022 - $33,734,057). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. These uncertainties cast significant doubt about the Company's ability to realize its assets and discharge its liabilities in the normal course of business. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

RESULTS OF OPERATIONS

For the three months ended July 31, 2023, the Company incurred a net and comprehensive loss of $300,310 (2022 - $261,949); ($0.03) (2022 - $0.03) loss per share. The Company earned revenues of $22,801 (2022 - $38,602) and incurred cost of sales of $5,454 (2022 - $6,185). The decrease in revenue was due to the decrease in membership sales during the current period. The decrease in cost of sales was due to the decrease on doctor fees incurred during the current period. The increase in the Company's net loss is mainly comprised of increase in bank charges, interest and accretion of $21,496 (2022 - $8,316) which includes loan interests, higher salaries and wages of $76,580 (2022 - $63,148) which was due to increase in salaries paid to employees, higher filing and listing fees of $2,300 (2022 - $2,250) which consisted mainly of higher regulatory fees incurred during the current period and higher legal and professional fees of $57,937 (2022 - $38,625) which was due to more legal services used by the Company during the current period. Those increases in expenses are offset by the decrease in depreciation of $122 (2022 - $162), lower consulting and referral fees of $66,353 (2022 - $68,120) which was mainly due to lower fees charged by consultants during the current period, lower office and general expenses of $36,241 (2022 - $45,801) and lower transfer agent fees of $2,628 (2022 - $13,944) due to the decrease in transfer agent maintenance fees in the current period. Management fees retained at $54,000 from 2022.

For the year ended July 31, 2023, the Company incurred a net and comprehensive loss of $1,625,195 (2022 - $1,369,188); ($0.17) (2022 - $0.37) loss per share. The Company earned revenues of $102,854 (2022 - $146,812) and incurred cost of sales of $22,219 (2022 - $30,816). The decrease in revenue was due to the decrease in membership sales during the current year. The decrease in cost of sales was due to the decrease on doctor fees incurred during the current year. The increase in the Company's net loss is mainly comprised of increase in advertising and promotion of $593,171 (2022 - $442,117) which consisted of the recent promotional activities of the Company, higher bank charges and interest of $58,420 (2022 - $16,693) which includes the interest on loans incurred during the current year, higher salaries and wages of $275,347 (2022 - $185,773) which was due to increase in salaries paid to employees during the current year and higher legal and professional fees of $88,003 (2022 - $64,058) which was due to more legal services used by the Company during the current year. Those increases in expenses are offset by lower depreciation of $488 (2022 - $648), lower bad debt expense of $Nil (2022 - $1,255), lower consulting and referral fees of $266,509 (2022 - $361,454) due to decreased consulting fees paid by the Company to consultants during the current year, lower filing and listing fees of $12,029 (2022 - $15,802) due to lower regulatory fees paid during the current year, lower management fees of $224,000 (2022 - $238,391) due to lower fees paid to directors during the current year, lower office and general expenses of $184,731 (2022 - $225,045), lower research and development of $Nil (2022 - $12,500), lower transfer agent fees of $5,885 (2022 - $19,074) due to no share issuances and lower transfer agent services incurred during the current year, expense recovery of $Nil (2022 - $100,000) relating to the payment made to a vendor and expensed and recovered in the prior years, gain on loan modification of $2,753 (2022 - $Nil) and loss on debt settlement of $Nil (2022 - $2,374).

For the year ended July 31, 2023, the net cash used in operating activities was $1,009,836 (2022 - $1,488,837), net cash provided by financing activities of $727,482 (2022 - $1,529,273) and net decrease in cash of $282,354 (2022 - increase of $40,436). There were no cash provided by or used in investing activity during the years ended July 31, 2023 and 2022. Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

Selected Financial Information

The following table provides selected financial information that should be read in conjunction with the audited Consolidated Financial Statements and Notes of the Company for the applicable year:

Summary of Results	**Year ended July 31, 2023**	**Year ended July 31, 2022**	**Year ended July 31, 2021**
Revenue	$ 102,854	$ 146,812	$ 225,093
Net Loss	$ (1,625,195)	$ (1,369,188)	$ (8,478,860)
Current Assets	$ 239,726	$ 576,539	$ 607,684
Total Assets	$ 241,505	$ 578,806	$ 610,599
Total Liabilities	$ 2,426,281	$ 1,138,387	$ 1,050,992
Shareholders' Deficiency	$ (2,184,776)	$ (559,581)	$ (440,393)

Summary of Quarterly Results

The table below provides selected financial information that should be read in conjunction with the audited/unaudited financial statements of the Company for the applicable period:

Quarter ended	**Jul. 31, 2023**	**Apr. 30, 2023**	**Jan. 31, 2022**	**Oct. 31, 2022**
	$	**$**	**$**	**$**
Revenue	22,801	23,539	26,519	29,995
Net Loss	(300,310)	(480,462)	(235,960)	(608,463)
Current Assets	239,726	102,023	105,738	98,421
Total Assets	241,505	103,924	107,761	100,566
Total Liabilities	2,426,281	1,988,390	1,511,765	1,268,610
Total Shareholders' Deficiency	(2,184,776)	(1,884,466)	(1,404,004)	(1,168,044)

Quarter ended	**Jul. 31, 2022**	**Apr. 30, 2022**	**Jan. 31, 2022**	**Oct. 31, 2021**
	$	**$**	**$**	**$**
Revenue	38,602	34,697	31,410	42,103
Net Loss	(261,949)	(242,922)	(486,977)	(377,340)
Current Assets	576,539	62,441	76,895	670,538

Total Assets	578,806	64,870	79,486	673,291
Total Liabilities	1,138,387	862,502	634,196	741,024
Total Shareholders' Deficiency	(559,581)	(797,632)	(554,710)	(67,733)

Fiscal 2023

During the three months ended July 31, 2023, the Company reported a net loss of $300,310 compared to $480,462 net loss during the three months ended April 30, 2023. Lower net loss in the current period was mainly due to the no advertising and promotional costs incurred during the current period for marketing activities, as compared to the three months ended April 30, 2023.

During the three months ended April 30, 2023, the Company reported a net loss of $480,462 compared to $235,960 net loss during the three months ended January 31, 2023. Higher net loss in the current period was mainly due to the increase in advertising and promotional costs incurred during the current period for marketing activities, as compared to the three months ended January 31, 2023.

During the three months ended January 31, 2023, the Company reported a net loss of $235,960 compared to $608,463 net loss during the three months ended October 31, 2022. Lower net loss in the current period was mainly due to the decrease in advertising and promotional costs incurred during the current period for marketing activities, as compared to the three months ended October 31, 2022.

During the three months ended October 31, 2022, the Company reported a net loss of $608,463 compared to $261,949 net loss during the three months ended July 31, 2022. Higher net loss in the current period was mainly due to the increase in costs of advertising and promotional activities incurred during the current period. Revenue in the current quarter was also lower compared to the previous quarter.

Fiscal 2022

During the three months ended July 31, 2022, the Company reported a net loss of $261,949 compared to $242,922 net loss during the three months ended April 30, 2022. Higher net loss in the current period was mainly due to the increase in operational expenses during the current period.

During the three months ended April 30, 2022, the Company reported a net loss of $242,922 compared to $486,977 net loss during the three months ended January 31, 2022. Lower net loss in the current period was mainly due to the decrease in operational expenses during the current period.

During the three months ended January 31, 2022, the Company reported a net loss of $486,977 compared to $377,340 net loss during the three months ended October 31, 2021. Lower net loss in the preceding quarter was mainly due to the expense recovery of $100,000 received in the previous quarter. Revenue in the current quarter was also lower compared to the previous quarter.

During the three months ended October 31, 2021, the Company reported a net loss of $377,340 compared to $7,078,834 net loss during the three months ended July 31, 2021. The significant decrease in net loss is mainly due to decrease in operational expenses during the current period, and the impairment of intangible assets and share-based expense on acquisition incurred in Q4 2021.

Liquidity and Solvency

As at July 31, 2023, the Company had a working capital deficiency of $1,876,303 and $527,263 as at July 31, 2022. The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company.

During the year ended July 31, 2023, the Company received loans totaling $727,482. These funds have been used by the Company for operations. The Company is actively seeking additional sources of financing.

The following table summarizes the Company's cash on hand, working capital and cash flow.

As at	**July 31, 2023**
	$
Cash	214,338
Working Capital Deficit	(1,876,303)
Cash Used in Operating Activities	(1,009,836)
Cash Provided by Investing Activity	-
Cash Provided by Financing Activity	727,482
Decrease in Cash	(282,354)

During the year ended July 31, 2023, the net cash used in operating activities was $1,009,836 (2022 - $1,488,837) comprising of a net loss of $1,625,195 (2022 - $1,369,188), depreciation of $488 (2022 - $648), accrued interest of $54,809 (2022 - $12,225), gain on loan modification of $2,753 (2022 - $Nil), bad debt expense of $Nil (2022 - $1,255), decrease in accounts receivable of $691 (2022 - $3,009), decrease in GST recoverable of $11,918 (2022 - increase of $4,345), decrease in prepaid expenses of $41,850 (2022 - $71,662), increase in accounts payable and accrued liabilities of $518,704 (2022 - decrease of $195,633), and decrease in deferred revenue of $10,348 (2022 - $8,470).

During the year ended July 31, 2023, net cash provided by financing activity was $727,482 (2022 - $1,529,273) which were attributable to proceeds from loans received. The cash provided by financing activity during the year ended July 31, 2023 was attributable to proceeds from loans while the cash provided by financing activities for the year ended July 31, 2022 was attributable to proceeds from private placements and proceeds from loans.

There were no cash provided by investing activity during the years ended July 31, 2023 and 2022.

On October 6, 2021, the Company completed a non-brokered private placement of 750,000 units at a price of $1 per unit for gross proceeds of $750,000.

On July 28, 2022, the Company closed a non-brokered private placement of 5,555,557 at a price of $0.09 per unit for gross proceeds of $500,000.

During the year ended July 31, 2022, the Company received loans amounting to $279,273 from a related party and from third parties. The loans bear interest of 10% per annum.

During the year ended July 31, 2023, the Company received loans amounting to $727,482 from a related party and from third parties. Of these loans, $448,000 bears interest of 10% per annum, $267,482 bears interest of 15% per annum while the remaining $12,000 is a non-interest-bearing loan.

The Company continues to use its cash resources to fund its operations. As the Company has limited sources of revenue to fund its ongoing operations and to settle its obligations, the Company may require additional funding through equity or debt financing, joint venture arrangements or a combination thereof to accomplish its long-term strategic objectives. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

Capital Resources

The Company continues to use its cash resources to fund its operations. As the Company has limited sources of revenue to fund its ongoing operations and to settle its obligations, the Company may require additional funding through equity or debt financing, joint venture arrangements or a combination thereof to accomplish its long-term strategic objectives.

Cash Provided by Financing Activity

During the year ended July 31, 2023, cash generated from financing activity was $727,482 (2022 - $1,529,273). The cash flow from financing activity in the year ended July 31, 2023 was comprised of proceeds from loans received.

The details are disclosed in Note 13 of the consolidated financial statements for the year ended July 31, 2023.

Use of Proceeds

During the year ended July 31, 2023, the Company received loans of $727,482. Proceeds from these loans were used for general working capital purposes.

Share Capital

The following is a summary of the Company's outstanding share, warrant and stock options data as of November 28, 2023.

On July 7, 2022, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated common share for every 20 pre-consolidated share. All shares figures have been retroactively adjusted to reflect share consolidation.

<u>Common Shares</u>
The authorized capital of the Company consists of an unlimited number of common shares without par value of which 9,392,138 are outstanding. Holders of the Company’s common shares are entitled to vote at

all meetings of shareholders declared by the directors, and subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate rate-ably in any distribution of property or assets upon the liquidation, winding up or dissolution of the Company.

On October 6, 2021, the Company closed a non-brokered private placement of 750,000 at a price of $1.00 per unit for gross proceeds of $750,000. Each unit consists of one common share of the Company and one share purchase warrant entitling the holder to acquire an additional share at a price of $1.10 per share for a period of 36 months following the date of issue. The fair value of the warrants was estimated to be $372,828, which was determined using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 3 years; volatility – 300.37%; risk-free interest rate – 0.52%; dividend rate – 0%.

On July 28, 2022, the Company closed a non-brokered private placement of 5,555,557 at a price of $0.09 per unit for gross proceeds of $500,000. Each unit consists of one common share of the Company and one common share purchase warrant of the Company. Each full warrant is exercisable into a common share of the Company for a period of 24 months at an exercise price of $0.12. The fair value of the warrants was estimated to be $238,697, which was determined using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 2 years; volatility – 231.56%; risk-free interest rate – 2.94%; dividend rate – 0%.

Preferred Shares

The authorized capital of the Company consists of an unlimited number of preferred shares without par value, of which 100 are issued or outstanding as of November 28, 2023. The preferred shares rank in priority to the common shares upon the liquidation, winding up or other dissolution of the Company. The preferred shares were issued in August 2013, as part of the plan of arrangement with Zara Resources Inc.

Stock Options

There were no stock options granted during the years ended July 31, 2023 and 2022.

As of November 28, 2023, no stock options are outstanding.

Warrants

As of November 28, 2023, the Company has 6,305,557 share purchase warrants outstanding.

Outlook and Capital Requirements

There is no guarantee that market conditions will be conducive to raising additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

Related Party Transactions

During the year ended July 31, 2023, the Company paid management fees of $180,000 (2022 - $180,000) to Jatinder Dhaliwal, CEO and director of the Company, $36,000 (2022 - $36,000) to Usama Chaudhry, CFO and director of the Company, and $8,000 (2022 - $5,000) to Judy Su, director of the Company.

At July 31, 2023, the Company had a net balance of $59,850 (2022 - $22,050) due to Usama Chaudhry, and a balance of $341,485 (2022 - $167,964) due to Jatinder Dhaliwal.

During the year ended July 31, 2023, the Company received loans of $Nil (2022 - $55,661) from 1194765 BC Ltd. and $95,000 (2022 - $12,498) from 1248787 BC Ltd., companies controlled by Jatinder Dhaliwal. The Company also received a loan of $15,000 from Jatinder Dhaliwal during the year ended July 31, 2022. The loans consist of the following: one loan with interest of 15% per annum, one non-interest-bearing, and the rest with interest of 10% per annum. As of July 31, 2023, the loan balance was $193,542 (2022 - $86,591), including accrued interest of $15,765 (2022 - $3,432). Interest expenses recorded for the year ended July 31, 2023 was $12,333 (2022 - $3,432).

Except for the interest-bearing loan payable, the amounts payable to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

Contractual Obligations

There are no contractual obligations, aside from those disclosed in this MD&A that will materially affect the performance of the Company.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These consolidated financial statements have been prepared by management in accordance with IFRS. Significant accounting policies used have been outlined on the consolidated financial statements for the year ended July 31, 2023.

Significant Estimates and Judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to commence profitable operations, generate funds therefrom and raise additional financing in order to meet current and future obligations. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Impairment of non-financial assets

Judgment is involved in assessing whether there is any indication that an asset or cash-generating unit may be impaired. This assessment is made based on the analysis of, amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset or cash-generating unit, and information from internal reporting.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the consolidated financial statements.

Allowance for doubtful accounts

The Company must make an assessment of whether account receivables are collectible from debtors. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

Impairment

Assets, including property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed their recoverable amounts.

Estimated useful lives of property and equipment and tangible assets

The Company makes estimates and utilizes assumptions in determining the useful lives of the property and equipment and intangible assets, and the related depreciation and amortization. Uncertainties in these estimates relate to technical obsolescence and the average life of a patient relationship that may change the utilization of certain assets.

Share-based payments

The Company records all share-based payments using the fair value method. The Company uses the Black-Scholes Option Pricing Model to determine the fair value of share-based payments. This estimate also requires determining the most appropriate inputs to the valuation model. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

While management believes the estimates contained within the consolidated financial statements are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operation and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business.

As at July 31, 2023, the Company's shareholder’s deficiency was $2,184,776 (2022 - $559,581).

The Company’s capital management objectives, policies and processes have been directed towards the cannabis and psilocybin industries during the years ended July 31, 2022 and 2023. The Company is not subject to any externally imposed capital requirement. There were no changes in the Company’s approach to capital management during the year.

Risks and Uncertainties

The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the shares of the Company. The Company will face a number of challenges in the development of its business. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or which are currently deemed immaterial, may also impair the operations of the Company. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this MD&A.

Going Concern

The Company’s capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations as they come due. If the Company were unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the balance sheet classifications currently used. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise necessary funds to further develop its products.

Risks Inherent in the Nature of the Health Clinic Industry

Changes in operating costs (including costs for maintenance, insurance), inability to obtain permits required to conduct the GLC's business, changes in health care laws and governmental regulations, and various other factors may significantly impact the ability of GLC to generate revenues. Certain significant expenditures, including legal fees, borrowing costs, maintenance costs, insurance costs and related charges must be made to operate its clinics, regardless of whether the GLC is generating revenue.

Unfavourable Publicity or Consumer Perception

The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results. Public opinion and support for medical and recreational cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and recreational cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general).

Patient Acquisitions

The Company's success depends on its ability to attract and retain patients. There are many factors which could impact the Company's ability to attract and retain patients, including but not limited to the successful implementation of the Company's patient-acquisition plans and the continued growth in the aggregate number of patients selecting medical marijuana as a treatment option. The Company's failure to acquire and retain patients as clients would have a material adverse effect on the Company's business, operating results and financial condition.

Competition

The medicinal marijuana industry is intensely competitive, and GLC competes with other companies that may have greater financial resources and technical facilities. Numerous other businesses are expected to compete in the clinic space and provide additional patient servicing under the new regulatory regime in seeking patients that purchase medicinal marijuana. It is possible that LPs or other third parties could also establish their own medical clinics that are similar to the Company's, as there are no significant barriers to entry.

An increase in competition for cannabis and cannabinoid products may decrease prices and result in lower profits to the LPs. This increases the risk that LPs would not have funding available to provide LP grants.

Development Risks

Future development of the Company's business may not yield expected returns and may strain management resources. Development of the Company's revenue streams is subject to a number of risks, including construction delays, cost overruns, financing risks, cancellation of key service contracts, and changes in government regulations. Overall costs may significantly exceed the costs that were estimated when the project was originally undertaken, which could result in reduced returns, or even losses, from such investments.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

Plans for Growth

The Company plans to grow rapidly and significantly expand its operations. This growth will place a significant strain on management systems and resources. The Company will not be able to implement our business strategy in a rapidly evolving market, without an effective planning and management process. To date, the Company has implemented some managerial, informational, operational and financial systems and controls, however, there can be assurance these systems and controls will be adequate. The Company may be required to manage multiple relationships with various strategic partners, users, advertisers and other third parties. These requirements will be strained in the event of rapid growth, or a large increase in the number of third-party relationships the Company has, as its systems, procedures or controls may not be adequate to support increased operations and management may be unable to manage growth effectively. To manage the planned growth, the Company will be required to significantly improve or replace existing managerial, informational, financial and operational systems, procedures and controls, and to expand, train and manage its intended growing base of personnel. The Company may also be required to expand its finance, administrative and operations staff. The Company may be unable to complete in a timely manner the improvements to its systems, procedures and controls necessary to support future operations, management may be unable to hire, train, retain, motivate and manage required personnel and management may be unable to successfully identify, manage and exploit existing and potential market opportunities.

Management's Responsibility for Financial Statements

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

Cautionary Statement

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible” or variations of such words and phrases or the negative connotation thereof, or statements that events, conditions or results “will”, “may”, “could” or “should” occur or be achieved. The forward-looking statements may include statements regarding future financial conditions, results of operations, plans, objectives, performance or business developments, capital expenditures, timelines, strategic plans, market or industry growth, evaluation of the potential impact of future accounting changes, share-based payments and carrying value of intangible assets or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. Risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, without limitation:

- the ability to obtain additional financing and uncertainty as to the availability and terms of future financing;
- expectations regarding production costs, capacity and yields of the Company and growth thereof;
- the Company's intentions to develop its business and operations;
- expectations regarding the timing for the legalization of recreational marijuana use in Canada;
- the Company's anticipated cash needs, needs for additional financing and use of funds;
- statements relating to the business and future activities of, and developments related to the Company;
- risks related to the Company's dependence on key personnel;
- estimates used in the Company's consolidated financial statements proving to be incorrect; and
- other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are based on information available as at November 28, 2022 and are subject to change after this date. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements.

Consequently, all forward-looking statements made in this MD&A are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Commitments and Contingencies

The Company doesn't have commitments and contingencies as of July 31, 2023.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.GlobalHealthClinics.co and www.sedar.com.