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

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

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Mydecine Innovations Group Inc. at Suite 810 - 789 West Pender Street, Vancouver, BC V6C 1H2, Telephone: 1-604-687-2038, and are also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue **February 8, 2021**

MYDECINE INNOVATIONS GROUP INC.

$15,000,000
30,000,000 Units

Price: $0.50 per Unit

This short form prospectus (this "**Prospectus**") qualifies the distribution of 30,000,000 units (the "**Units**") of Mydecine Innovations Group Inc. ("**Mydecine**" or the "**Company**") at a price of $0.50 per Unit (the "**Offering Price**") for total gross proceeds of $15,000,000 (the "**Offering**"). Each Unit consists of one common share of the Company (each a "**Unit Share**") and one common share purchase warrant (each a "**Warrant**"). Each Warrant entitles the holder to purchase one common share of the Company (a "**Warrant Share**") at an exercise price of $0.70 per Warrant Share for a period of 36 months from the Closing Date (as defined herein), subject to adjustment in certain customary events. The Warrants will be governed by a warrant indenture to be entered into on or prior to the Closing Date between the Company and National Securities Administrators Ltd. (the "**Warrant Agent**"), as warrant agent. The Unit Shares and Warrants comprising the Units will separate immediately upon closing of the Offering. This Prospectus also qualifies the distribution of the Unit Shares, the Warrants, the Broker Warrants (as defined herein) and the Corporate Finance Fee Unit Shares (as defined herein) and the Corporate Finance Fee Unit Warrants (as defined herein) comprising the Corporate Finance Fee Units (as defined herein). See "*Description of Securities Being Distributed*".

The Units will be sold pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated January 20,

2021 entered into between the Company and Canaccord Genuity Corp. (the "**Underwriter**"), as sole underwriter and sole bookrunner. The Underwriter may invite such other registered investment dealers to participate as selling group members in the Offering as may be determined to the mutual satisfaction of the Underwriter and the Company. The Units may be issued and sold in each of the provinces in Canada, other than Québec, by the Underwriter. The Units may also be offered for resale in the United States, by or through the United States registered broker-dealer affiliate of the Underwriter, under certain exemptions from the registration requirements of the U.S. Securities Act and the applicable state laws. The Offering Price was determined by arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the common shares of the Company (the "**Common Shares**").

The Common Shares are listed on the Canadian Securities Exchange ("**CSE**") under the symbol "MYCO". On January 13, 2021, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the CSE was $0.57 per Common Share. On January 19, 2021, the last trading day before the date of this Prospectus, the closing price of the Common Shares on the CSE was $0.52 per Common Share. The Company has applied for approval of the listing of: (a) the Unit Shares; (b) the Warrants; (c) the Warrant Shares issuable upon exercise of the Warrants; (d) the Broker Unit Shares (as defined herein) partially comprising the Broker Units (as defined herein) issuable upon exercise of the Broker Warrants; (e) the Broker Unit Warrants (as defined herein) partially comprising the Broker Units issuable upon exercise of the Broker Warrants; (f) the Broker Unit Warrant Shares (as defined herein) issuable upon exercise of the Broker Unit Warrants; (g) the Corporate Finance Fee Unit Shares partially comprising the Corporate Finance Fee Units; (h) the Corporate Finance Fee Unit Warrants partially comprising the Corporate Finance Fee Units; and (i) the Corporate Finance Fee Unit Warrant Shares (as defined herein) issuable upon exercise of the Corporate Finance Fee Unit Warrants. Listing will be subject to the Company fulfilling all of the requirements of the CSE.

While there is currently no market through which the Warrants may be sold, the Company will, following the Closing Date, apply to list the Warrants, including those Over-Allotment Warrants (as defined herein) underlying the Over-Allotment Option on the CSE. Listing will be subject to the Company fulfilling all of the requirements of the CSE. There is no guarantee that the Company's application for listing of the Warrants and the Over-Allotment Warrants will be approved and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

	Price to the Public	**Underwriter's Fee [(1)]**	**Net Proceeds to the Company[(2)(3)]**
Per Unit	$0.50	$0.035	$0.465
Total	$15,000,000	$1,050,000	$13,950,000

Notes:

(1) Pursuant to the terms of the Underwriting Agreement and in consideration for the services rendered by the Underwriter in connection with the Offering, the Underwriter will receive a cash fee (the "**Underwriter's Fee**") equal to 7.0% of the aggregate gross proceeds of the Offering, payable in cash, including in respect of any gross proceeds raised on the exercise of the Over-Allotment Option (as defined herein). The Company has also agreed to issue to the Underwriter, upon closing of the Offering, warrants (the "**Broker Warrants**") as is equal to 7.0% of the aggregate number of Units sold pursuant to the Offering (including, for greater certainty, any additional Units issued upon the exercise of the Over-Allotment Option), at an exercise price equal to the Offering Price, subject to customary adjustment, for a period of 36 months following the Closing Date. Each Broker Warrant will entitle the holder thereof to purchase one broker unit (each, a "**Broker Unit**") at an exercise price of $0.50 per Broker Unit for a period of 36 months from the Closing Date. Each Broker Unit shall consist of (a) one Common Share (each, a "**Broker Unit Share**"); and (b) one Warrant (each a "**Broker Unit Warrant**"), subject to customary adjustment. Each Broker Unit Warrant shall be exercisable into one Common Share (each, a "**Broker Unit Warrant Share**") on the same terms as the Warrants. As additional consideration, the Company shall pay the Underwriter a corporate finance fee equal to that number of units (the "**Corporate Finance Fee Units**") which is equal to 2.5% of the aggregate number of Units issued pursuant to the Offering (including, for greater certainty, any additional Units issued upon the exercise of the Over-Allotment Option). Each Corporate Finance Fee Unit will be comprised of one Common Share (each, a "**Corporate Finance Fee Unit Share**") and one Warrant (each a "**Corporate Finance Fee Unit Warrant**"). Each Corporate Finance Fee Unit Warrant shall be exercisable into one Common Share (each, a "**Corporate Finance Fee Unit Warrant Share**") on the same terms as the Warrants. This Prospectus qualifies the distribution of the Broker Warrants and the Corporate Finance Fee

Units. See "*Plan of Distribution*".

(2) After deducting the Underwriter's Fee, but before deducting the expenses of the Offering, estimated to be $250,000, which, together with the Underwriter's Fee, will be paid out of the gross proceeds of the Offering.

(3) The Company has granted to the Underwriter an option (the "**Over-Allotment Option**"), exercisable in whole or in part in the sole discretion of the Underwriter, at any time and from time to time, until that date which is 30 days following the Closing Date, to purchase up to an additional 15% of the number of Units sold under the Offering, being up to 4,500,000 Units (the "**Additional Units**"), at the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. Each Additional Unit shall consist of one common share (an "**Additional Share**") and one common share purchase warrant (an "**Additional Warrant**"). A person who acquires securities forming part of the Underwriter's over-allocation position acquires those securities under this Prospectus regardless of whether the Underwriter's over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriter's Fee, and net proceeds to the Company (before deducting expenses of the Offering) will be $17,250,000, $1,207,500 and $16,042,500, respectively. This Prospectus also qualifies the distribution of the Over-Allotment Option and the issuance of the Additional Units pursuant to the exercise of the Over-Allotment Option. See "*Plan of Distribution*" and the table below.

Unless the context otherwise requires, when used herein, all references to the "Offering", "Units", "Unit Shares", "Warrants", and "Warrant Shares" assume the exercise of the Over-Allotment Option and includes the Additional Units and the Additional Shares and Additional Warrants underlying such Additional Units and the additional Warrant Shares underlying such Additional Warrants.

Underwriter's Position	**Maximum Size or Number of Securities Available**	**Exercise Period**	**Exercise Price**
Over-Allotment Option	Option to acquire up to 4,500,000 Additional Units; and/or Up to 4,500,000 Additional Shares; and/or Up to 4,500,000 Additional Warrants	Up to 30 days following the Closing Date	$0.50 per Additional Unit $0.43 per Additional Share $0.07 per Additional Warrant
Broker Warrants[(1)]	2,415,000 Units[(1)]	Exercisable for a period of 36 months following the Closing Date	$0.50 per Broker Warrant
Corporate Finance Fee Units[(2)]	862,500 Corporate Finance Fee Units[(2)]	--	--

Notes:

(1) Assuming the Over-Allotment Option is exercised in full. This Prospectus qualifies the distribution of the Broker Warrants in full. See "*Plan of Distribution*".
(2) Assuming the Over-Allotment Option is exercised in full. This Prospectus qualifies the distribution of the Corporate Finance Fee Units in full. See "*Plan of Distribution*".

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Underwriter reserves the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about February 3, 2021, or such other date as may be agreed upon by the Company and the Underwriter (the "**Closing Date**"). In any event, the Units are to be taken up by the Underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the final short form prospectus in respect of the Offering.

The Underwriter, as principal, conditionally offers the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriter in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters by Miller

Thomson LLP, on behalf of the Company, and by Bennett Jones LLP, on behalf of the Underwriter.

It is anticipated that the Unit Shares and the Warrants comprising the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the Underwriter or another registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

An investment in the Units is speculative and involves a high degree of risk. Prospective purchasers should consider the risk factors described under "*Risk Factors*" in this Prospectus and in the Company's AIF (as defined herein), which can be found on SEDAR at www.sedar.com, before purchasing the Units offered hereunder.

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriter have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. The Underwriter is offering to sell and seeking offers to buy the Units only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

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

The Company's head, registered and records office is located at Suite 810 - 789 West Pender Street, Vancouver, BC V6C 1H2.

David Joshua Bartch, Dean Ditto, Damon Michaels, Robert Roscow and Josephine Wu are directors and officers of the Company residing outside of Canada. David Joshua Bartch, Dean Ditto, Damon Michaels, Robert Roscow and Josephine Wu have all appointed the Company, Suite 810 - 789 West Pender Street, Vancouver, BC V6C 1H2, as agent for service of process. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company conducts research and development on psilocybin mushrooms in Canada and Jamaica with a focus on developing and commercializing psychedelic-inspired regulated medicines. The Company, through a third-party research partner, is carrying out certain research involving psilocybin in the Netherlands. No psilocybin mushrooms product will be commercialized prior to applicable legal or regulatory approval. Also, certain subsidiaries of the Company derive revenues from sale of cannabidiol ("CBD") oil and other cannabis products. The Company does not have any direct or indirect involvement with the illegal selling, production or distribution of substances in the jurisdictions in which it operates. The Company does not advocate for the legalization of psychedelic substances and does not deal with psychedelic substances except within laboratory and clinical trial settings conducted within approved regulatory frameworks.

The Canadian and United States federal governments regulate drugs through the *Controlled Drugs and Substances Act* (Canada) (the "CDSA") and the *Controlled Substances Act* (21 U.S.C. § 811) (the "CSA"), respectively, which place controlled substances in a schedule. Under the CDSA, psilocybin is currently a Schedule III drug. CDSA prohibits the possession of a Schedule III drug absent authorization under the CDSA or a related regulation (either via a license or an authorized exemption). Under the CSA, cannabis is currently a Schedule I drug, and psilocybin is currently a Schedule I drug. CBD is a controlled substance under United Nations drug control conventions. Consistent with the controlled status of CBD internationally, CBD is a controlled substance in Canada and other jurisdictions. As a result, in Canada,

CBD and products containing CBD are subject to all of the rules and requirements that apply to cannabis under the *Cannabis Act* and its regulations. It is a criminal offence to possess substances under the CDSA without a prescription. Health Canada has not approved psilocybin as a drug. It is anticipated that all of the Company's psilocybin activities in Canada will be carried out in partnership with API (as defined below), major hospitals or major institutions under licenses held by and exemptions afforded to such partners to legally handle and administer psilocybin.

Unlike in Canada and the United States, psilocybin mushrooms are not an illegal drug under Jamaica's *Dangerous Drugs Act, 1948*.

The Opium Act (Netherlands) (*Opiumwe*) (the "Opium Act"), the primary drug legislation in the Netherlands, prohibit the possession, production, preparation, processing, selling, delivering, transporting, importing and exporting of any drug or substance listed on the schedules/lists accompanying the Opium Act (together, the "Opium Act Lists"), as well as preparations containing one or more of such prohibited substances. As of the date hereof, the Opium Act Lists expressly name mushrooms, as well as psilocin (psilocine) and psilocybin (psilocybine), both of which are substances that naturally occur within psychedelic mushrooms.

The Company's operations are conducted in strict compliance with local laws where such activities are permissible and do not require any specific legal or regulatory approvals. The Company oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Company's senior executives and the employees responsible for overseeing compliance, the Company has local regulatory/compliance counsel engaged in every jurisdiction (provincial, state and local) in which it operates. See "*Compliance Program*".

For these reasons, the Company may be (a) subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other U.S. and Canadian authorities, (b) susceptible to regulatory changes or other changes in law, and (c) subject to risks related to drug development, among other things. There are a number of risks associated with the business of the Company. See "*Risk Factors*" herein and "*Risk Factors*" in the AIF (as defined herein).

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This Prospectus contains "forward-looking statements". These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect" and similar expressions include the Company's expectations and objectives regarding our future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; lack of brand awareness; dependence on consumer taste; reliance on third party suppliers and third party distributors; limited operating history of the Company; market fluctuations; potential product liability claims and retention of key personnel, as well as those factors discussed in the section titled "*Risk Factors*".

Forward looking statements are based on a number of material factors and assumptions, including that consumer buying patterns will increase in specialty and grocery stores, that economic conditions in Canada will continue to show modest improvement in the near to medium future, that the average cost of raw materials will fluctuate in line with historical trends, that there will be no material change to the competitive environment in the distribution of psilocybin mushrooms and/or CBD-based food additives and supplements, that the Company will be able to access sufficient qualified staff, that the Company will be able to develop distribution channels and a customer base, that there will be no material changes with the Company's larger customers and that there will be no material changes to the tax and other regulatory requirements governing the Company. While the Company considers these assumptions reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "*Risk Factors*".

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

Important risk factors that could cause the Company's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: investment in the Units is speculative; discretion in the use of proceeds; additional financing; forward looking statements may prove to be inaccurate; the volatility of the market price of the Common Shares; risk factors related to dilution; risk factors related to smaller companies; warrants are speculative in nature and may not have any value; liquidity of the Common Shares; investment eligibility; additional requirements for capital; negative cash flow from operation; limited operating history; management of growth; retention and acquisition of skilled personnel; conflicts of interest; personnel; public health crisis; dependency of success of products on public tastes; availability of raw materials; limited number of products; consumer perception and preference of psilocybin mushrooms; brand awareness and dependency on third party suppliers; development of new products; certain arrangements with research partners not formalized; legal proceedings; risks associated with failure to achieve its publicly announced milestones according to schedule, or at all; regulatory compliance risks; risks related to regulatory changes; risks related to clinical testing; prospects depend on the success of its product candidates which are at early stages of development, and it may not generate revenue for several years, if at all, from these products; product liability; future Health Canada approvals; product liability claims; distribution/supply chain interruption; reliance on third party manufacturers; reliance on marketing partners and future distributors; product recalls; intellectual property protection; competition in the marketplace; emerging market risks; enforcement of legal rights in foreign jurisdictions; dependence on management team; the Company's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business; the Company may expand its business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt the Company's business and harm its financial condition; regulatory risks and compliance; nature of the Company's involvement in the U.S. cannabis industry;

illegality under U.S. federal law; anti-money laundering laws and regulations; Canadian securities regulatory matters; heightened scrutiny; change in laws, regulations and guidelines; unfavourable publicity or consumer perception; legalization of recreational cannabis; the cannabis industry and market are relatively new in Canada and this industry and market may not continue to exist or grow as anticipated; the cannabis industry is difficult to quantify and investors will be reliant on their own estimates of the accuracy of market data; and the cannabis industry is experiencing rapid growth and consolidation that may intensify competition.

Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this Prospectus. See "*Risk Factors*".

These forward-looking statements are made as of the date of this Prospectus and are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada. Investors are cautioned against placing undue reliance on forward-looking statements.

FINANCIAL INFORMATION

The Company prepares its financial statements, which are incorporated by reference into this Prospectus, in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

GENERAL MATTERS

Prospective purchasers should rely only on information contained or incorporated by reference in this Prospectus. Neither the Company nor the Underwriter has authorized any other person to provide prospective purchasers with additional or different information. If a prospective purchaser is provided with different or inconsistent information, the prospective purchaser should not rely on such information. The information contained on the Company's website is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information when deciding whether or not to invest in the Units. Neither the Company nor the Underwriter is making an offer to sell in any jurisdiction where the offer or sale is not permitted. Readers should not assume that the information contained or incorporated by reference in this Prospectus is accurate as of any date other than the date of this Prospectus or the respective dates of the documents incorporated by reference herein, regardless of the time of delivery of this Prospectus or of any sale of Units pursuant hereto. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws. Any market data or other industry forecasts used in this Prospectus or the documents incorporated by reference herein were obtained from market research, publicly available information and industry publications. The Company and the Underwriter believe that these sources are generally reliable but the accuracy and completeness of such information is not guaranteed. Neither the Company nor the Underwriter has independently verified such information and do not make any representation as to the accuracy of such information. While the Company is not aware of any misstatements regarding the industry data presented herein, the Company's estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Forward-Looking Statements"* and "*Risk Factors*" in this Prospectus.

Unless the context otherwise requires, any references in this Prospectus to the "Company", "Mydecine", "we", "us", "it", "its" and "our" refer to Mydecine Innovations Group Inc. and its subsidiaries.

Unless the context otherwise requires, all references to "$", "C$" and "dollars" mean references to the lawful money of Canada.

ELIGIBILITY FOR INVESTMENT

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

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be a "qualified investment" for a Deferred Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA or RDSP, or the subscriber of an RESP will be subject to a penalty tax if such Unit Shares, Warrants and Warrant Shares are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP or TFSA. The Unit

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

Persons who intend to hold Unit Shares, Warrants or Warrant Shares in a Deferred Plan, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference may also be obtained on request without charge from Mydecine Innovations Group Inc., Suite 810 - 789 West Pender Street, Vancouver, BC V6C 1H2 (telephone 604-687-2038) (attention: Chief Executive Officer), and are also available electronically at www.sedar.com. The filings of the Company through SEDAR are not incorporated by reference in this Prospectus except as specifically set out herein. The following documents filed with the securities commission or similar regulatory authority in each of the provinces of British Columbia, Alberta and Ontario, are available at www.sedar.com and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

1. the annual information form of the Company for the year ended December 31, 2019 (the "**AIF**"), filed on SEDAR on July 15, 2020;
2. the audited and restated consolidated financial statements of the Company for the year ended December 31, 2019 and 2018, together with the notes thereto (the "**Annual Financial Statements**") and the auditors' report thereon and related management's discussion and analysis, filed on SEDAR on November 30, 2020;
3. the amended and restated condensed interim consolidated financial statements of the Company for the three month period ended September 30, 2020 and 2019, together with the notes thereto and related amended and restated management's discussion and analysis, filed on SEDAR on February 4, 2021;
4. the management information circular of the Company dated July 24, 2020 prepared in connection with the annual meeting of shareholders held on August 28, 2020;
5. the "template version" (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements*) of the term sheet for the Offering dated January 14, 2021;
6. material change report of the Company dated February 3, 2021 in connection with the addition of Gordon Neal and Josephine Wu to the Company's board of directors and the resignation of Michael Connolly as director;
7. the material change report of the Company dated January 20, 2021 in connection with the change of auditor from MNP LLP to SHIM & Associates LLP, filed on SEDAR on January 20, 2021;
8. the material change report of the Company dated January 20, 2021 regarding the Offering;
9. the material change report of the Company dated December 23, 2020 in connection with the appointment of MNP LLP as the Company's new auditor, filed on SEDAR on December 23, 2020;
10. the material change report of the Company dated December 23, 2020 in connection with

the appointment of a new director of the Company, filed on SEDAR on December 23, 2020;

11. the material change report of the Company dated October 20, 2020 in connection with the closing of a non-brokered private placement of secured convertible debentures, filed on SEDAR on October 20, 2020;

12. the material change report of the Company dated October 14, 2020 in connection with an announcement of a debt settlement transaction, filed on SEDAR on October 14, 2020;

13. the material change report of the Company dated September 29, 2020 in connection with an announcement of the issuance of share purchase warrants, filed on SEDAR on September 29, 2020;

14. the material change report of the Company dated September 21, 2020 in connection with an announcement of a debt settlement transaction, filed on SEDAR on September 21, 2020;

15. the material change report of the Company dated September 9, 2020 in connection with an announcement of a debt settlement transaction, filed on SEDAR on September 9, 2020;

16. the material change report of the Company dated September 8, 2020 in connection with the completion of the acquisition of NeuroPharm Inc. ("**NeuroPharm**"), filed on SEDAR on September 8, 2020;

17. the material change report of the Company dated August 31, 2020 in connection with the appointment of Damon Michaels to the Company's board of directors, filed on SEDAR on August 31, 2020;

18. the material change report of the Company dated August 28, 2020 in connection with the closing of the acquisition of Mindleap Health Inc. ("**Mindleap**"), filed on SEDAR on August 28, 2020;

19. the material change report of the Company dated August 28, 2020 in connection with the Company's execution of a definitive agreement to acquire Mindleap's advanced digital telehealth platform, filed on SEDAR on August 28, 2020;

20. the material change report of the Company dated June 19, 2020 in connection with the closing of its previously announced oversubscribed brokered private placement of units pursuant to an agency agreement with Canaccord Genuity Corp., filed on SEDAR on June 19, 2020;

21. the material change report of the Company dated June 1, 2020 in connection with the announcement of Canadian Securities Exchange approval to change the Company's name to Mydecine Innovations Group Inc., filed on SEDAR on June 15, 2020;

22. the material change report of the Company dated May 21, 2020 in connection with the Company entering into an agreement with Canaccord Genuity Corp. to act as lead underwriter and sole bookrunner on a commercially reasonable efforts basis in relation to a private placement, filed on SEDAR on June 17, 2020;

23. the material change report of the Company dated May 7, 2020 in connection with the closing of a non-brokered private placement of Common Shares, filed on SEDAR on May 19, 2020;

24. the material change report of the Company dated May 6, 2020 in connection with execution of a definitive agreement to acquire 37.5% of the issued and outstanding share capital of Trellis Holdings Oregon Op LLC from David Joshua Bartch and Benjamin Martch by way of a share exchange, filed on SEDAR on May 13, 2020;

25. the material change report of the Company dated April 30, 2020 in connection with a clarification to its April 30, 2020 news release, filed on SEDAR on May 1, 2020;

26. the material change report of the Company dated April 22, 2020 in connection with the execution of a share swap agreement to purchase 50% of Levee Street Holdings, LLC, now known as Alternative Distribution Company LLC, for C$450,000 in Common Shares, filed on SEDAR on May 1, 2020; and

27. the material change report of the Company dated February 6, 2020 in connection with an announcement that the Company has entered into a binding letter of intent to acquire 37.5% of all of the issued and outstanding share capital of Tellis Holdings Oregon Op LLC from David Joshua Bartch and Benjamin Martch by way of a share exchange, filed on SEDAR on February 12, 2020.

Any documents of the types required to be incorporated by reference herein by Item 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions*, filed by the Company with a securities commission or similar regulatory authority in any of the provinces or territories of Canada pursuant to the requirements of applicable securities legislation after the date of this Prospectus and prior to the termination of the distribution of this Offering shall be deemed to be incorporated by reference into this Prospectus. The information contained on the Company's website or any other website, the address of which is included herein or in any of the documents enumerated above, is not part of this Prospectus and is not incorporated by reference in this Prospectus despite any references thereto in any such website or documents.

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

DESCRIPTION OF THE BUSINESS

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. The Company subsequently changed its name to New Age Brands Inc. on November 14, 2018; to NewLeaf Brands Inc. on April 2, 2019; and to Mydecine Innovations Group Inc. on June 5, 2020.

The Company's head office and registered and records office is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2. Mydecine's corporate website is https://www.mydecine.com. The information contained on the Company's website is not incorporated by reference into this Prospectus.

The Company trades on the CSE under the symbol "MYCO". The Company also trades on the OTC Pink Sheets under the symbol "MYCOF" and the Frankfurt Stock Exchange under the symbol "0NFA".

Inter-Corporate Relationships

The following table illustrates, as at the date of this Prospectus, the Company's material subsidiaries, the percentage of voting securities of each that are held by Mydecine, either directly or indirectly, and their

respective jurisdictions of incorporation, continuance, formation or organization.

Subsidiary Name	Ownership by Mydecine	Jurisdiction of Incorporation, Continuance, Formation or Organization
1220611 B.C. Ltd.	100%	British Columbia
Alternative Distribution Company LLC	50%	USA
We are Kured, LLC	100%	USA
Drink Fresh Water, LLC	100%	USA
ReLyfe Brand, LLC	100%	USA
TeaLief Brand, LLC	100%	USA
Trellis Holdings Oregon Op LLC	37.5%	USA
1176392 B.C. Ltd.	100%	British Columbia
NeuroPharm Inc.	100%	Canada
Mindleap Health Inc.	100%	British Columbia

Business of the Company

Mydecine Innovations Group Inc. (CSE: MYCO) (OTC:MYCOF) (FSE: 0NFA) is an emerging biotech and life sciences company dedicated to developing and commercializing innovative solutions for treating mental health problems and enhancing wellbeing. The Company's medical and scientific advisory board ("**SAB**") is building out an R&D pipeline of nature-sourced psychedelic-assisted therapeutics, novel compounds, therapy protocols, and unique delivery systems.

Through its research and development partner, Applied Pharmaceutical Innovation ("**API**"), Mydecine has access to a full Current Good Manufacturing Practices ("**cGMP**") certified pharmaceutical manufacturing facility with the ability to import/export, cultivate, extract/isolate, and analyze active psilocybin mushroom compounds with government approval through Health Canada. On May 21, 2020, the Company and API entered into a master services agreement (the "**API Agreement**") that set out the terms of this arrangement. Pursuant to the API Agreement and work orders entered into in connection thereto, API has agreed to complete certain research and development work related to developing products using mushrooms. Pursuant to the API Agreement, the Company is responsible for all costs related to the work carried out by API on the Company's behalf, such amounts to be agreed to by the Company and API in each applicable work order. The initial term of the API Agreement expires on May 21, 2023, unless terminated by either party with 30 days' prior written notice.

Mydecine also operates out of a mycology lab in Denver, Colorado, to focus on genetic research for scaling commercial cultivation of rare (non-psychedelic) medicinal mushrooms.

At the heart of Mydecine's core philosophy is that psychedelic-assisted psychotherapy will continue to gain acceptance in the medical community with many accredited research organizations around the world demonstrating its clinical effectiveness[1]. Mydecine recognizes the responsibility associated with

[1] https://hopkinspsychedelic.org/achievements
https://psychedelicstoday.com/2020/02/11/jon-s-nyus-double-blind-trial-of-psilocybin-assisted-treatment-of-alcohol-dependence/

psychedelic-assisted therapy and will continue to advocate for clinical trials, research, technology, and global supply.

The current members of the Company's SAB are medical and scientific professionals drawn from within academic, research and development, military, and corporate environments. As specialists in the field of post-traumatic stress disorder ("**PTSD**") and mental health (including clinical practice and advocacy), each member has made contributions to advancing the field and are committed to furthering Mydecine's mission. The mandate of the SAB is to continue to provide strategic guidance and direction for Mydecine's clinical trials for PTSD (underpinned by data research, therapy and scientific programs), provide advice on intellectual property and contribute commentary on Mydecine's telehealth platform, Mydecine Health.

Psilocybin Research and Development

Mydecine currently has several planned Phase 2a clinical trials for psilocybin-assisted psychotherapy for the treatment of veterans and EMS personnel suffering from PTSD. These Phase 2a clinical trials will consist of a 16-week program involving 1-3 macro-dose treatments depending on the PTSD indication. The macro-dose treatment is comprised of 25-35 mg based on body but may be increased to 45 mg for subsequent treatments depending on reaction to the first treatment.

Current Phase 2a Clinical Trials

The Company has entered into a partnership with Leiden University Medical Center ("**Leiden University**") pursuant to which Leiden University has agreed carry out a Phase 2a clinical trial for psilocybin-assisted psychotherapy for the treatment of veterans and EMS personnel suffering from PTSD on NeuroPharm's behalf (the "**Leiden University Phase 2a Clinical Trial**"). Under the arrangement, the Company is responsible for all costs associated with the Leiden University Phase 2a Clinical Trial. The arrangement may be terminated by either party at any time.

The Company has entered into a partnership with the University of Alberta pursuant to which the University of Alberta has agreed carry out a Phase 2a clinical trial for psilocybin-assisted psychotherapy for the treatment of veterans and EMS personnel suffering from PTSD on NeuroPharm's behalf (the "**University of Alberta Phase 2a Clinical Trial**"). Under the arrangement, the Company is responsible for all costs associated. The arrangement may be terminated by either party at any time.

The Company has entered into a partnership with the Royal Ottawa Mental Health Centre ("**Royal Ottawa**" and together with Leiden University and University of Alberta, the "**Phase 2a Research Partners**") pursuant to which Royal Ottawa has agreed carry out a Phase 2a clinical trial for psilocybin-assisted psychotherapy for the treatment of veterans and EMS personnel suffering from PTSD on NeuroPharm's behalf (the "**Royal Ottawa Phase 2a Clinical Trial**" and together with the Leiden University Phase 2a Clinical Trial and the University of Alberta Phase 2a Clinical Trial, the "**Phase 2a Clinical Trials**"). Under the arrangement, the Company is responsible for all costs associated with the Royal Ottawa Phase 2a Clinical Trial. The arrangement may be terminated by either party at any time.

The Company and each Phase 2a Research Partner is currently in the process of completing the preliminary steps in anticipation of the human-trials stage of the respective Phase 2a Clinical Trial, including the establishment of the protocols for the Phase 2a Clinical Trial. In order to commence the human trials stage of the Phase 2a Clinical Trial, the Company and the applicable Phase 2a Research Partner must complete the applicable protocols, obtain necessary internal approvals from the Phase 2a Research Partner, including ethics board approval. It is anticipated that the human trials stage of the Phase 2a Clinical Trials will commence in the third quarter of 2021. Please see "*Risk Factors – Risks related to Clinical Testing*".

The arrangements between the Company and Leiden University, the University of Alberta and Royal Ottawa have not been formally documented and, instead, have been agreed to pursuant to letters, email communication and conversations, as is customary for research partnerships with hospitals and universities. Although an agreement with each of Leiden University, University of Alberta and Royal Ottawa is in the

process of being formalized, there is no assurances that such formal agreement will be entered into. Please see "*Risk Factors – Certain Arrangements with Research Partners Not Formalized*"."

Pre-Clinical Studies

Additionally, the Company is currently completing several pre-clinical studies (each, a "**Pre-Clinical Study**") encompassing multiple indications, namely: (a) micro-dose study at Macquarie University (indication agnostic) (the "**Macquarie Study**"); (b) micro-dose study at Imperial College of London (indication agnostic) (the "**London Study**"); (c) mechanistic understanding study at University of Maryland (indication PTSD and drug addiction) (the "**Maryland Study**"); and (d) micro-dose study at the University of Alberta (indication obsessive compulsive disease) (the "**Alberta Study**").

Mindleap App

Mindleap Health Inc. operates a digital telepath platform that provides access to mental health services and is designed to offer psychedelic integration services, including psychedelic aftercare and wellness services.

Trellis Holdings Oregon Op LLC

Trellis Holdings Oregon Op LLC ("**Trellis Holdings**") is an Oregon-based operating company that owns several Oregon Liquor Control Commission ("**OLCC**") medical and recreational cannabis licenses as well as operates a vertically integrated cannabis business. Trellis Holdings owns and operates both: (a) Trellis Farms, an OLCC-licensed recreational cannabis producer located in the Cave Junction area of Southern Oregon, founded in 2015; and (b) Doctors' Orders Portland, a medical and recreational dispensary founded in 2014.

Hemp-Based CBD Products

Based out of Colorado, We are Kured, LLC ("**Kured**") is a hemp-derived CBD company that offers products using full-spectrum CBD oil, such as vaporizing pens.

Drink Fresh Water, LLC ("**Drink Fresh**") is a premier hemp-infused beverage company which products include a nano-amplified alkaline water and proprietary sparkling tea blends.

Alternative Distribution Company LLC ("**ALT Distro**"), formerly known as Levee Street Holdings LLC, is a 50% owned partnership between the Company and Greg Kassanoff. The Company acquired its 50% interest in ALT Distro pursuant to a share swap agreement between the Company and Greg Kassanoff dated on or about April 22, 2020. Greg Kassanoff is a distribution veteran that is currently the CEO and founder of Pioneer Wine Company, LP, which is the second largest wine and spirits distribution company in the state of Texas, U.S.A. ALT Distro is a distribution company that distributes CBD/hemp products.

ReLyfe Brand, LLC ("**ReLyfe**") offers two different-sized product offerings: a 7-day week pack and a 30-day monthly bottle. ReLyfe's 25MG soft gel CBD capsules are 100% Tetrahydrocannabinol ("**THC**") free. ReLyfe's products are currently available in stores both in the United States and internationally.

TeaLief Brand, LLC ("**TeaLief**") offers three types of 25MG teabags: Black Ginger Peach (a high caffeine offering), Green Tea Coconut (a mild caffeine offering) and Honey Spice Rooibos (a zero caffeine offering). TeaLief's products offerings include a 16-count box and 7-count packets.

Real Estate

The Company owns two debt-free properties in the state of Oregon that it currently leases to Trellis Holdings. One property is located at 3424 NE 82nd Ave, Portland, Oregon 97220 which is a free standing 3,200 square feet retail/mixed use building. The second property consists of 11 acres in Cave Junction, Oregon.

Recent Developments

On February 14, 2020, the Company entered into three distribution agreements with each of HemPup LLC, Vida and NXTGEN.

On February 19, 2020, the Company officially started the development of a new online marketplace named The Hemp Stand.

On March 17, 2020, the Company cancelled an aggregate of 2,573,553 stock options previously held by certain directors and officers of the Company.

On April 22, 2020, the Company entered into a share swap agreement with Levee Street Holdings, LLC ("**Levee Street**"), now Alternative Distribution Company LLC, to purchase 50% of the issued and outstanding share capital of Levee Street for $450,000.00 worth of Common Shares.

On April 29, 2020, the Company entered into a definitive agreement to acquire 100% of the issued and outstanding share capital of 1220611 B.C. Ltd. ("**Mydecine Group**") in exchange for 17,000,000 Common Shares in the capital of the Company at a deemed value of $0.071 per Common Share for an attributed aggregate purchase price of $1,207,000.

On May 5, 2020, the Company entered into a definitive agreement with Trellis Holdings to acquire 37.5% of the issued and outstanding share capital of Trellis Holdings from David Joshua Bartch and Benjamin Martch by way of a share exchange, which transaction was consummated on May 6, 2020.

On May 7, 2020, the Company closed a non-brokered private placement of 52,908,420 Common Shares in the capital of the Company at a price of $0.05 per share for gross proceeds of up to $2,645,421.00.

On May 11, 2020, the Company appointed Damon Michaels to the position of Chief Operations Officer ("**COO**").

On May 12, 2020, the Company appointed Robert Roscow to the position of Chief Science Officer.

On May 21, 2020, the Company and API entered into the API Agreement.

On June 1, 2020, the Company changed its name from NewLeaf Brands Inc. to Mydecine Innovations Group Inc. and its ticker symbol from "NLB" to "MYCO".

On June 19, 2020, the Company closed a private placement of 8,000,000 units at a price of $0.30 per unit for aggregate gross proceeds of $2,400,000.00. Each unit consisted of one Common Share in the capital of the Company and one-half of one warrant.

Disclosure in June 19, 2020 Press Release	**Use of Proceeds (as at December 31, 2020)**
The Company intends to use the net proceeds from the Offering to further its psychedelic medicine research programs in Canada, for investment in its recently acquired Colorado and Oregon-based mushroom and fungi lab facilities, and for general working capital purposes.	The net proceeds of the June 19, 2020 private placement have been used as follows: • $500,000 - Mindleap technology investment • $1,000,000 - drug development and research and development • $250,000 - marketing • $300,000 - business consulting • Remainder - general working capital

On June 23, 2020, the Company appointed two key strategic advisors to the Company's Scientific Advisory Committee, Mr. Vince Polito and Mr. Anton Gomez-Escolar.

On June 30, 2020, the Company added drug discovery expert, Dr. Denton Hoyer, to its SAB.

On July 7, 2020, the Company announced that Dr. Malireddy Srinivasulu Reddy will be joining the Company as a scientific advisor.

On July 16, 2020, NeuroPharm entered into a collaborative relationship with Leiden University of The Netherlands for the initiation of clinical trials.

On July 21, 2020, Mindleap entered into an agreement with Brightmind Meditation LLC to launch a comprehensive meditation program on Mindleap's advanced digital health platform.

On July 27, 2020, the Company hired former Red Bull marketing executive, Jim Gunning, as the Company's new Chief Marketing Officer.

On August 4, 2020, Mindleap expanded its digital therapeutic offerings by adding three additional programs to its platform.

On August 18, 2020, the Company became the first organization to exercise its cGMP capabilities under a special license to legally produce, transfer, sell, and export pharmaceutical-grade psilocybin, naturally derived from whole- psilocybin mushroom extraction.

On August 19, 2020, the Company announced the addition of two new strategic advisors, Dr. Robin Carhart-Harris and Dr. David Erritzoe, to the Company's SAB.

On August 21, 2020, the Company completed its acquisition of Mindleap.

On August 21, 2020, the Company, through its research partner, API, commenced work at a cGMP facility under a special license issued to its research partner to legally produce, transfer, sell, and export pharmaceutical-grade psilocybin.

On August 28, 2020, the Company appointed Damon Michaels, the Company's current COO, to its board of directors ("**Board of Directors**") at the annual general meeting of the Company's shareholders.

On September 3, 2020, the Company closed its acquisition of NeuroPharm.

On September 15, 2020, the Company formed a special committee to evaluate a number of options to increase shareholders value.

On September 16, 2020, the Company granted stock options to purchase up to 3,000,000 Common Shares in the capital of the Company to Damon Michaels, the COO, and a director of the Company. The Company also cancelled an aggregate of 2,400,000 stock options previously held by a former consultant of the Company.

On September 17, 2020, Mindleap implemented a comprehensive information security rollout of next-generation cyber-security solutions to meet *Health Insurance Portability and Accountability Act* compliance standards.

On September 21, 2020, the Company announced that its Board of Directors has approved the settlement of a principal amount of $15,600.00 in debt for services rendered through the issuance of Common Shares. Pursuant to the settlement, the Company issued 74,286 Common Shares at a deemed price of $0.21 per share to a creditor of the Company.

On September 21, 2020, the Company further announced that it cancelled and returned to treasury 529,034 Common Shares that were originally issued to a former consultant of the Company on May 7, 2020.

On September 25, 2020, the Company granted stock options to certain directors and officers of the

Company to purchase up to 8,000,000 Common Shares in the capital of the Company.

On September 28, 2020, the Company issued an aggregate 35,737,460 share purchase warrants of the Company to certain shareholders who agreed to extend the resale restrictions on their Common Shares.

On September 30, 2020, Mindleap, a digital telehealth mobile application for mental coaching and wellbeing, officially launched and became available for download.

On October 1, 2020, the Company announced it granted stock options to purchase up to 1,000,000 Common Shares in the capital of the Company to Michael A. Connolly, the Chief Compliance Officer and a director of the Company.

On October 7, 2020, NeuroPharm filed a provisional patent application with the United States Patent and Trademark Office covering composition of matter claims regarding a psychedelic therapy enhancer for the treatment of certain psychiatric disorders, including enhancements to treatments for PTSD.

On October 7, 2020, the Company announced that its Board of Directors has approved the settlement of a principal amount of $847,500.00 in debt for services rendered through the issuance of Common Shares. Pursuant to the debt settlement, the Company issued 3,684,783 Common Shares at a deemed price of $0.23 per share to a creditor of the Company.

On October 14, 2020, NeuroPharm engaged FreeMind Group LLC to assist NeuroPharm in securing non-dilutive funding opportunities globally.

On October 16, 2020, the Company closed a non-brokered private placement (the "**Private Placement Offering**") of secured convertible debenture notes (the "**Debentures**"). Pursuant to the Private Placement Offering, the Company placed an aggregate of $4.7 million aggregate principal amount of Debentures.

Disclosure in October 16, 2020 Press Release	Use of Proceeds (as at December 31, 2020)
The Company intends to use the net proceeds from the Offering for capital projects and for general working capital purposes.	The net proceeds of the October 16, 2020 private placement have been used as follows: • $500,000 - technology investment • $500,000 – Neuropharm acquisition • $1,500,000 – research and development • $500,000 - clinical trials • $600,000 – construction at Colorado lab • Remainder - general working capital

On November 17, 2020, the Company appointed Dr. Rakesh Jetly as Chief Medical Officer.

On December 8, 2020, the Company completed its first commercial harvest at its research facility in Jamaica and announced it will make the first commercial export of legal psilocybin mushrooms.

On December 24, 2020, the Company partnered with ProPharma Group ("**ProPharma**"), the leading provider of regulatory and compliance services to the pharmaceutical industry, for ProPharma to provide regulatory advice as the Company seeks approval from the Food and Drug Administration for its drug development platform as well as its various stage clinical trials.

On January 5, 2021, the Company sponsored a study titled: "The neurocognitive effects of low dose psychoactive substances," at Australia's Macquarie University. It is the first study of naturalistic micro-dosing in a laboratory setting and will be the first study to use Magnetoencephalography scans to identify brain activity, cognitive and biometric measures during micro-dosing.

On January 7, 2021, the Company announced filing seven provisional patent applications with the United States Patent and Trademark Office in its efforts to discover valuable novel compounds in fungi for medicinal and pharmaceutical use.

On January 11, 2021, the Company announced that Gordon Neal has been appointed to the Company's Board of Directors. Additionally, Dean Ditto was appointed as the Company's Chief Financial Officer.

REGULATORY OVERVIEW

Psilocybin Mushroom Products

In Canada, psilocybin is considered a controlled substance under Schedule III of the *Controlled Drugs and Substances Act* ("**CDSA**") meaning activities such as sale, possession, and production etc. of these substances are prohibited unless authorized for clinical trial or research under the *Food and Drugs Act* (Canada). The possession, sale or distribution of controlled substances is prohibited unless specifically permitted by the government. Penalties for contravention of the CDSA related to Schedule I substances are the most punitive, with Schedule II being less punitive than Schedule I, Schedule III being less punitive than Schedule I and II and so forth.

Products that contain a controlled substance such as psilocybin cannot be made, transported or sold without proper authorization from the government. A party can apply for Dealer's License under the *Food and Drug Regulations* (Part J). In order to qualify as a licensed dealer, a party must meet all regulatory requirements mandated by the regulations including having compliant facilities, compliant materials and staff that meet the qualifications under the regulations of a senior person in charge and a qualified person in charge. Assuming compliance with all relevant laws (CDSA, Food and Drugs Regulations) and subject to any restrictions placed on the license by Health Canada, an entity with a Dealer's License may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the Food and Drugs Regulations – which includes psilocybin and psilocin) (see s. J.01.009 (1) of the Food and Drug Regulations).

Natural health products ("**NHPs**") are regulated by Health Canada under the Natural Health Products Regulations. Under these regulations, a NHP can include an extract or isolate of a substance from an organism such as a fungus if the primary molecular structure of the extract or isolate is identical to that which it had prior to its extraction or isolation. In order to manufacture a NHP in Canada, a party must obtain a Site License in accordance with Part 2 of the Natural Health Products Regulations. In order to sell a NHP in Canada, a party must obtain a product license in accordance with Part 1 of the Natural Health Products Regulations. Once approved, the regulations require detailed record keeping and recall protocols in the event of adverse events.

Drug products in Canada are regulated by Health Canada under the *Food and Drugs Act* (Canada) and Food and Drugs Regulations. Health Canada regulates, among other things, research and development activities and the testing, approval, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, advertising and promotion of any product candidates or commercial products.

In order to conduct any scientific research, including pre-clinical and clinical trials, using psychoactive compounds listed as controlled substances under the CDSA, an exemption under Section 56 of the CDSA ("**Section 56 Exemption**") is required. This exemption allows the holder to possess and use the controlled substance without being subject to the restrictions set out in the CDSA. The Company has not applied for a Section 56 Exemption from Health Canada. The possession, sale or distribution of controlled substances is prohibited unless specifically permitted by the government. A party may seek government approval for a Section 56 Exemption to allow for the possession, transport or production of a controlled substance for medical or scientific purposes. Products that contain a controlled substance such as psilocybin cannot be made, transported or sold without proper authorization from the government. A party can apply for Dealer's License under the Food and Drug Regulations (Part J). In order to qualify as a licensed dealer, a party must meet all regulatory requirements mandated by the regulations including having compliant facilities, compliant materials and staff that meet the qualifications under the regulations of a senior person

in charge and a qualified person in charge. Assuming compliance with all relevant laws (Controlled Drugs and Substances Act, Food and Drugs Regulations) and subject to any restrictions placed on the license by Health Canada, an entity with a Dealer's License may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug.

It is anticipated that all of the Company's psilocybin activities in Canada will be carried out in partnership with API, major hospitals or major institutions under licenses held by and exemptions afforded to such partners to legally handle and administer psilocybin. Each of the University of Alberta, Leiden University, Royal Ottawa and the University of Maryland hold all required licenses to use a controlled substance, including psilocybin, and to carry out the Phase 2a Clinical Trial, the Leiden University Phase 2a Clinical Trial, the Royal Ottawa Phase 2a Clinical Trial and the Maryland Study. None of the Macquarie Study, the London Study and the Alberta Study involves the handling of psilocybin and, therefore, no licenses are required by the applicable research partner to carry out the study. The Company has itself not applied for a Section 56 exemption from Health Canada.

In the United States, the potential reclassification of psilocybin and psilocin could create additional regulatory burdens on our operations and negatively affect our results of operations. In the United States, psilocybin is currently a Schedule I drug under the *Controlled Substances Act* (21 U.S.C. § 811) (the "**CSA**")**.** If psilocybin and/or psilocin, other than the formulation approved by the United States Food and Drug Administration ("**FDA**"), is rescheduled under CSA as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V), the ability to conduct research on psilocybin and psilocin would most likely be improved. However, rescheduling psilocybin and psilocin may materially alter enforcement policies across many federal agencies, primarily the FDA and the Drug Enforcement Administration ("**DEA**"). The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the *Federal Food, Drug and Cosmetic Act* (U.S.) ("**FD&C Act**"). The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because it is currently illegal under federal law to produce and sell psilocybin and psilocin, and because there are no federally recognized medical uses, the FDA has historically deferred enforcement related to psilocybin and psilocin to the DEA. If psilocybin and psilocin were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. The DEA would continue to be active in regulating manufacturing, distribution and dispensing of such substances. The potential for multi-agency enforcement post-rescheduling could threaten or have a materially adverse effect on our business.

The Opium Act is the primary drug legislation in the Netherlands. Articles 2 and 3 of the Opium Act prohibit the possession, production, preparation, processing, selling, delivering, transporting, importing and exporting of any drug or substance listed on the Opium Act Lists, as well as preparations containing one or more of such prohibited substances. Articles 2 and 3 of the Opium Act also prohibit the above-noted activities in respect of a number of plants or parts of plants which are named in the Opium Act Lists. The Opium Act Lists expressly name psychedelic mushrooms, as well as psilocin (*psilocine*) and psilocybin (*psilocybine*), both of which are substances that naturally occur within psychedelic mushrooms.

CBD Products

CBD is a non-intoxicating chemical found in cannabis and is often derived from hemp, which contains, at most, only trace amounts of THC. On December 20, 2018, President Donald J. Trump signed the *Agriculture Improvement Act of 2018* (US) (known as the "**2018 Farm Bill**") into law. Until the 2018 Farm Bill became law, hemp fell within the definition of "marijuana" under the CSA and the Drug Enforcement Agency classified hemp as a Schedule I controlled substance because hemp is part of the cannabis plant.

The 2018 Farm Bill defines hemp as the plant Cannabis sativa L. and any part of the plant with a delta-9 THC concentration of not more than 0.3% by dry weight and removes hemp from the CSA. The 2018 Farm Bill requires the United States Department of Agriculture ("**USDA**") to, among other things: (1) evaluate and approve regulatory plans approved by individual states for the cultivation and production of industrial 21 hemp, and (2) promulgate regulations and guidelines to establish and administer a program for the cultivation and production of hemp in the U.S. The regulations promulgated by the USDA will be in lieu of

those states not adopting state-specific hemp regulations. Hemp and products derived from it, such as CBD, may then be sold into commerce and transported across state lines provided that the hemp from which any product is derived was cultivated under a license issued by an authorized state program approved by the USDA and otherwise meets the definition of hemp. The 2018 Farm Bill also explicitly preserved the authority of the FDA to regulate hemp-derived products under the FD&C Act. The Company expects that the FDA will promulgate its own rules for the regulation of hemp-derived products in the coming year. Notwithstanding the pending FDA rules, on October 29, 2019, the USDA published its proposed rules for the regulation of hemp, as discussed above ("**USDA Rule**"). The USDA Rule will go into effect immediately upon the conclusion of the public comment period and publication in the federal register by the USDA. The USDA Rule, among other things, sets minimum standards for the cultivation and production of hemp, as well as requirements for laboratory testing of hemp.

Clinical Operations

The Canadian and United States federal governments regulate drugs through the CDSA and the CSA, respectively, which place controlled substances in a schedule. Under the CDSA, psilocybin is currently a Schedule III drug. Under the CSA, psilocybin is currently a Schedule I drug.

Health Canada and the FDA have not approved psilocybin as a drug for any indication. It is illegal to possess such substance without a prescription.

In both Canada and the United States, the applicable federal government is responsible for regulating, among other things, the approval, import, sale and marketing of drugs such as psychedelic substances, whether natural or novel. **The Company does not directly engage in any activities that would trigger the need to comply with any federal laws related to psychedelic substances.**

See "*Risk Factors*".

Natural Products Operations (Jamaica)

Through consultation with local resources and personnel with relevant knowledge and experience, as necessary, in Jamaica, the Company is satisfied that all necessary licenses, permits and regulatory approvals have been obtained in order to carry on the business as currently conducted and that such licenses, permits and regulatory approvals that have been obtained are in good standing.

Research conducted with respect to psilocybin is not in contravention of local laws in Jamaica and the Company has received a legal opinion from local counsel confirming the permissibility of the Company's operations in Jamaica, including operations at the Company's research facility in Jamaica. Psilocybin mushrooms are not an illegal drug under Jamaica's *Dangerous Drugs Act, 1948* (the "**Jamaica Drug Act**"), therefore the Company's research of psilocybin is not in contravention of the laws of Jamaica and does not require any permit or authorization from the regulatory authorities in Jamaica. In addition, the Minister of Health & Wellness of Jamaica has delivered a letter to the Company stating his support for the Company's operations in Jamaica.

As psilocybin is not included in the Jamaica Drug Act, it is not a controlled or restricted substance in Jamaica and therefore no other specific controls, permits, licenses or authorizations are required to conduct research on psilocybin. Such research conducted at the Company's facility in Jamaica is governed by the Jamaica Ministry of Health ("**JMH**"), Ethics and Medico-Legal Affairs Panel and by the JMH Standards and Regulation Division, as would any other research conducted in a clinical setting. In addition to Good Laboratory Practices and cGMP, research involving human subjects is governed by the JMH Guidelines for the Conduct of Research on Human Subjects. Furthermore, medicines, including natural products, require registration with the JMH prior to importation, distribution and sale in Jamaica, as outlined in the *Food and Drugs Act, 1964*.

The Company has received legal opinions or advice in each jurisdiction where it currently operates or

proposes to operate (other than Oregon, where the applicable legislation has not yet been created), confirming the permissibility of the Company's operations in such jurisdictions.

Pharmaceutical Development and Approval Requirements – Canada

Before a prescription drug product candidate may be marketed in Canada, the process required generally involves:

- *Chemical and Biological Research* – Laboratory tests are carried out on tissue cultures and with a variety of small animals to determine the effects of the drug. If the results are promising, the manufacturer will proceed to the next step of development.

- *Pre-Clinical Development* – Animals are given the drug in varying amounts over differing periods of time. If it can be shown that the drug causes no serious or unexpected harm at the doses required to have an effect, the manufacturer will proceed to clinical trials.

- *Clinical Trials — Phase 1* – The first administration in humans is to test if people can tolerate the drug. If this testing is to take place in Canada, the manufacturer must prepare a clinical trial application for the Therapeutic Products Directorate of Health Canada (the "**TPD**"). This includes the results of the first two steps and a proposal for testing in humans. If the information is sufficient, the Health Products and Food Branch of Health Canada (the "**HPFB**") grants permission to start testing the drug, generally first on healthy volunteers.

- *Clinical Trials — Phase 2* – Phase 2 trials are carried out on people with the target condition, who are usually otherwise healthy, with no other medical condition. Trials carried out in Canada must be approved by the TPD. In Phase 2, the objectives of the trials are to continue to gather information on the safety of the drug and begin to determine its effectiveness.

- *Clinical Trials — Phase 3* – If the results from Phase 2 show promise, the manufacturer provides an updated clinical trial application to the TPD for Phase 3 trials. The objectives of Phase 3 include determining whether the drug can be shown to be effective, and have an acceptable side effect profile, in people who better represent the general population. Further information will also be obtained on how the drug should be used, the optimal dosage regimen and the possible side effects.

- *New Drug Submission* – If the results from Phase 3 continue to be favourable, the drug manufacturer can submit a new drug submission ("**NDS**") to the TPD. A drug manufacturer can submit an NDS regardless of whether the clinical trials were carried out in Canada. The TPD reviews all the information gathered during the development of the drug and assesses the risks and benefits of the drug. If it is judged that, for a specific patient population and specific conditions of use, the benefits of the drug outweigh the known risks, the HPFB will approve the drug by issuing a notice of compliance.

Pharmaceutical Development and Approval Requirements – United States

Before a prescription drug product candidate may be marketed in the United States, the process required generally involves:

- completion of extensive nonclinical laboratory tests, animal studies and formulation studies, all performed in accordance with the FDA's *Good Laboratory and Manufacturing Practice* regulations;

- submission to the FDA of an investigational new drug application, which must become effective before human clinical trials may begin;

- for some products, performance of adequate and well-controlled human clinical trials in accordance with the FDA's regulations, including good clinical practices, to establish the safety and efficacy of the product candidate for each proposed indication;

- submission to the FDA of a new drug application ("**NDA**"); and

- FDA review and approval of the NDA prior to any commercial marketing, sale or shipment of the drug.

The operations of the Company, as currently conducted, do not require and are not dependent on, any licenses to conduct such operations.

COMPLIANCE PROGRAM

The Company oversees and monitors compliance with applicable laws in each jurisdiction in which it operates to ensure strict compliance with such laws in each jurisdiction. The Company will continue to work closely with compliance experts to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the laws of the jurisdictions in which the Company operates. The Company has received legal opinions or advice in each jurisdiction where it currently operates or proposes to operate (other than Oregon, where the applicable legislation has not yet been created).

DIVIDENDS

The Company has not declared or paid dividends since incorporation and has no present intention to declare or pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. Any decision to declare or pay dividends will be made by the Company's Board of Directors based upon the Company's earnings, financial requirements and other conditions existing at such future time.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated since September 30, 2020, the date of the Company's most recently filed financial statements. This table should be read in conjunction with the consolidated financial statements of the Company, and the related notes and management's discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus.

Description	As at September 30, 2020 Before Giving Effect to the Offering	As at September 30, 2020 After Giving Effect to the Offering, assuming No Exercise of the Over-Allotment Option [(1)]	As at September 30, 2020 After Giving Effect to the Offering, assuming Full Exercise of the Over-Allotment Option[(1)]
Share Capital	$77,520,312	$91,470,312	$93,720,312
Common Shares (Authorized - Unlimited)	162,762,912	193,512,912	198,125,412
Finder's warrants	1,819,500	1,819,500	1,819,500
Options	14,443,157	14,443,157	14,443,157
Warrants[(2)]	12,374,365	43,124,365	47,736,865

Broker Warrants (Units)	0	2,100,000	2,415,000
Shareholders' Equity	$7,631,923	$21,581,923	$23,831,923

(1) Net proceeds of the Offering, after deduction of expected costs, including expenses of the Offering and the Underwriter's Fee are estimated at $13,700,000 ($15,792,500 if the Over-Allotment Option is exercised in full).
(2) Set out above are the number of Common Shares issuable upon exercise of the outstanding Warrants of the Company.

Except as described above, there have been no material changes in the Company's share and debt capital, on a consolidated basis, since September 30, 2020, being the date of our most recently filed financial statements incorporated by reference in this Prospectus, other than the following:

- issuance of 3,684,783 Common Shares in connection with a debt settlement of a principal amount of $847,500.00 for services rendered as described further below under "*Prior Sales*";
- issuance of $4,700,00.00 in secured convertible debenture notes in connection with a non-brokered private placement as described further below under "*Prior Sales*";
- issuance of 7,602,740 Common Shares upon conversion of debentures in the amount of $1,520,548 as described further below under "*Prior Sales*"; and
- issuance of 508,767 Common Shares upon conversion of debentures in the amount of $101,753.40 as described further below under "*Prior Sales*".

USE OF PROCEEDS

The net proceeds to the Company from the Offering will be approximately $13,700,000, after deducting the Underwriter's Fee of $1,050,000 and the estimated expenses of the Offering of $250,000. The net proceeds of the Offering are currently intended to be used for product development and other general working capital purposes, as outlined below:

Use of Proceeds	Amount Allocated	Percentage Allocation
IP Portfolio		
Legal, filing, maintenance	$ 1,000,000	9%
In-house legal director	$ 250,000	
TOTAL	**$ 1,250,000**	
Clinical Trials and Partnerships (1)		
Royal Ottawa Phase 2a Clinical Trial(2)	$ 500,000	27%
University of Alberta Phase 2a Clinical Trial(2)	$ 500,000	
Leiden University Phase 2a Clinical Trial(2)	$ 500,000	
Clinical Research Organization fees(3)	$ 500,000	
Pre-Clinical Study: Macquarie University(4)	$ 150,000	
Pre-Clinical Study: Imperial College London(5)	$ 150,000	
Pre-Clinical Study: University of Alberta(6)	$ 500,000	
Pre-Clinical Study: University of Maryland(7)	$ 540,000	
Consulting costs	$ 420,000	
TOTAL	**$ 3,760,000**	
Continued Development and Drug Pipeline (8)		
University of Alberta(9)	$ 3,000,000	35%
U.S. regulatory consulting fees (10)	$ 700,000	

Scientific Advisory Board costs	$	360,000	
Other consulting costs	$	200,000	
Colorado lab operation costs (11)	$	500,000	
TOTAL	**$**	**4,760,000**	
Working Capital and Purposes			
Management consulting fees (12)	$	600,000	29%
Marketing, communications and investor relations	$	2,300,000	
Corporate office costs (accounting, legal, listing fees, etc.)	$	550,000	
Corporate governance costs	$	200,000	
Equipment and personnel costs at all research facilities to expand capabilities	$	280,000	
TOTAL	**$**	**3,930,000**	

Notes:

(1) The costs associated with the Phase 2a and Pre-Clinical Studies under Clinical Trials and Partnerships include staffing costs, active pharmaceutical ingredient costs, overhead costs and costs relating to ethics board.

(2) There can be no assurances that the Company will complete each of the Phase 2a Clinical Trials. Each Phase 2a Research Partner has all licenses required in order to carry out the respective Phase 2a Clinical Trial. If the Company does not complete a Phase 2a Clinical, it will seek to identify alternative research partners and the unused proceeds that were allocated to the terminated Phase 2a Clinical Trial will be used for such alternative trials and, if it is unable to enter into an alternative arrangement, such proceeds will be allocated to the other Phase 2a Clinical Trials or the Pre-Clinical Studies.

(3) The Company has engaged a third party to handle all Phase 2a clinical trial logistics and management for the Company.

(4) All approvals have been received to commence the Macquarie Study. The Macquarie Study does not involve the handling of psilocybin and, therefore, no licenses are required by Macquarie University to carry out the study.

(5) All approvals have been received to commence the London Study. The London Study does not involve the handling of psilocybin and, therefore, no licenses are required by the Imperial College of London to carry out the study.

(6) There can be no assurances that the Company will commence the Alberta Study. The Alberta Study does not involve the handling of psilocybin and, therefore, no licenses are required by the University of Alberta to carry out the study. The Company is awaiting internal approvals of University of Alberta to commence the Alberta Study. If the Company does not commence the Alberta Study, it will seek to identify alternative research partners and the proceeds will be used for such alternative similar studies and, if it is unable to enter into an alternative arrangement, the proceeds will be allocated to the Phase 2a Clinical Trials or the other Pre-Clinical Studies.

(7) There can be no assurances that the Company will commence the Maryland Study. The University of Maryland has all licenses required in order to carry out the Maryland Study. The Company is awaiting internal approvals of University of Maryland to commence the Maryland Study. If the Company does not commence the Maryland Study, it will seek to identify alternative research partners and the proceeds will be used for such alternative similar studies and, if it is unable to enter into an alternative arrangement, the proceeds will be allocated to the Phase 2a Clinical Trials or the other Pre-Clinical Studies.

(8) The major components of the Continued Development and Drug Pipeline that will be funded using the proceeds from the distribution include costs associated with and FDA consulting company, ProPharma, pre-clinical work, costs of obtaining drug identification number (IND filing) and materials/manufacturing costs.

(9) The costs associated with the Continued Development and Drug Pipeline at the University of

Alberta includes (a) costs of synthesizing psychedelic compounds (approximately $1,000,000), (b) cost of research and development on fungal compounds and securing exclusivity in regards thereto (approximately $1,000,000) and (c) costs of master drug filings and Investigational New Drug filings on psilocybin and psilocybin derivative compounds (approximately $1,000,000).

(10) The Company has engaged a third party to provide consulting in respect of Food and Drug Administration matters.

(11) Colorado lab operating costs include personnel, equipment and overhead costs.

(12) Consulting fees paid to the Company's senior officers.

See "*Description of the Business – Psilocybin Research and Development*" and "*Risk Factors - Risks Related to the Business of the Company*".

If the Over-Allotment Option is exercise in full, the estimated net proceeds to the Company from the Offering, after deducting the Underwriter's Fee of $1,207,500 and the fees and expenses of the Offering estimated to be approximately $250,000, will be approximately $15,792,500. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be used for general and working capital purposes.

Although the Company intends to use the proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary depending on future developments, at the discretion of the Company's Board of Directors and management. Until applied, the net proceeds will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof. Unallocated funds from the Offering will be added to the working capital of the Company, and will be expended at the discretion of management.

Business Objectives and Milestones

The key business objectives and milestones that the Company intends to achieve with the net proceeds from the Offering are summarized below. We have attempted to provide our best estimate and to account for possible delays that may occur in light of the COVID-19 pandemic. However, given the uncertainty of the pandemic and the potential for subsequent waves of infection, the time period for achieving milestones may be negatively impacted in ways that are unknown at this time.

Objective	Milestone	Amount Allocated	Actual/ Estimated Timeframe for Completion	Status
IP Portfolio	Launch patented lines of medicinal mushroom ingredients and obtain license agreements for their use	$1,250,000	Q2 2021	In progress
Leiden University Phase 2a Clinical Trial	Complete preliminary steps and commence human trials	$240,000	Q3 2021	In progress
	Complete and publish study	$260,000	Q4 2021	Not started
University of Alberta Phase 2a Clinical Trial	Complete preliminary steps and commence human trials	$240,000	Q3 2021	In progress
	Complete and publish study	$260,000	Q4 2021	Not started
Royal Ottawa Phase 2a Clinical Trial	Complete preliminary steps and commence human trials	$240,000	Q3 2021	In progress
	Complete and publish study	$260,000	Q4 2021	Not started
Macquarie Study	Develop protocols and complete preliminary steps	$0	Q1 2021	Complete
	Complete study	$150,000	Q4 2021	In progress

London Study	Develop protocols and complete preliminary steps	$0	Q1 2021	Complete
	Complete study	$150,000	Q4 2021	In progress
Alberta Study	Develop protocols and complete preliminary steps	$250,000	Q2 2021	In progress
	Commence and complete study	$250,000	Q4 2021	Not started
Maryland Study	Develop protocols and complete preliminary steps	$270,000	Q2 2021	In progress
	Commence and complete study	$270,000	Q4 2021	Not started
Continued Development and Drug Pipeline	Complete investigational of new drug applications for four novel drugs[(1)]	$2,130,000	Two in Q2 2021 Two in Q3 2021	In progress
	Launch research initiatives in respect of additional compounds, molecules and delivery systems.	$2,130,000	Q2 2021	Not started

Notes:

(1) Such novel drugs are psychedelic in nature and are controlled substances in the jurisdictions in which the company operates, other than Jamaica. All such investigations shall be carried out in compliance with applicable laws.

The Company is conducting its own research and development but also relies on third party subcontractors to carry out certain of its research and development initiatives. The Company uses its research partner, API, and also conducts its own in-house research in its 7,500 sq. ft. Mycology lab in Colorado.

The Company has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Company's existing plans.

There is no assurance that the Company's business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, the Company may be required to obtain additional financing in order to meet its future cash commitments.

While the Company currently anticipates that it will use the net proceeds of the Offering as set forth above, the Company may re-allocate the net proceeds of the Offering from time to time, giving consideration to its strategy relative to the market, development and changes in the industry and regulatory landscape, as well as other conditions relevant at the applicable time including unforeseen impacts resulting from the COVID-19 pandemic. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Board of Directors. Management will have discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. See "*Risk Factors*".

Any unallocated funds will be added to the working capital of the Company.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the Tax Act, generally applicable to a holder who acquires, as beneficial owner, Units pursuant to the Offering, and who, for the purposes of the Tax Act and at all relevant times, holds Unit Shares and Warrants, and will hold Warrant Shares as capital property and deals at arm's length and is not affiliated with the Company, the Underwriters and any subsequent purchaser of such securities. A holder who meets all of the foregoing requirements is referred to as a "Holder" herein, and this summary only addresses such Holders. Generally, Unit Shares, Warrant Shares and Warrants will be considered to be capital property to a Holder, provided the Holder does not hold Unit Shares, Warrant Shares and Warrants

in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a holder (i) that is a "financial institution", as defined in the Tax Act for the purposes of the mark-to-market rules in the Tax Act, (ii) that is a "specified financial institution", as defined in the Tax Act, (iii) of an interest which is a "tax shelter investment" as defined in the Tax Act, (iv) that has elected to determine its Canadian tax results in a "functional currency" other than the Canadian dollar, (v) that has entered into or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" with respect to the Unit Shares, Warrants or Warrant Shares, or (vi) that receives dividends on Unit Shares or Warrant Shares under or as part of a "dividend rental arrangement", as defined in the Tax Act. Any such holder should consult its own tax advisor with respect to an investment in offered Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada that is (or does not deal at arm's length within the meaning of the Tax Act with a corporation resident in Canada that is), or that becomes as part of a transaction or event or series of transactions or events that includes the Offering, controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm's length, for purposes of section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring the offered Units.

This summary is based upon the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations thereunder that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "CRA"), published in writing by it prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA's administrative policies and assessing practices, whether by legislative, governmental or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Consequently, Holders should consult their own tax advisors with respect to the tax consequences applicable to them, having regard to their own particular circumstances.

Allocation of Offering Price

Holders will be required to allocate the aggregate cost of an offered Unit between the Unit Share and the Warrant on a reasonable basis in order to determine their respective costs for the purposes of the Tax Act. The Company intends to allocate as consideration for their issue $0.43 to each Unit Share and $0.07 to each Warrant acquired as part of an offered Unit. As of the date of this prospectus, the Company believes that such allocation is reasonable, but such allocation will not be binding on the CRA or a Holder. The adjusted cost base to a Holder of a Unit Share acquired as part of an offered Unit will be determined by averaging the cost of such Unit Share with the adjusted cost base of all Common Shares of the Company held by the Holder as capital property immediately before such acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder on the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging

the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares of the Company held as capital property immediately before the acquisition of the Warrant Share.

Taxation of Resident Holders

The following portion of this summary applies to Holders (as defined above) who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times (herein, "**Resident Holders**") and this portion of the summary only addresses such Resident Holders. Certain Resident Holders who might not be considered to hold their Unit Shares or Warrant Shares as capital property may, in certain circumstances, be entitled to have them and any other "Canadian security" (as defined in the Tax Act) be treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election does not apply to Warrants. Resident Holders contemplating such election should consult their own tax advisors for advice as to whether it is available and, if available, whether it is advisable in their particular circumstances.

Expiry of Warrants

The expiry of an unexercised Warrant generally will result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. See discussion below under the heading "Capital Gains and Capital Losses".

Taxation of Dividends

A Resident Holder will be required to include in computing income for a taxation year any dividends received, or deemed to be received, in the year by the Resident Holder on the Unit Shares or Warrant Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where the Company designates the dividend as an "eligible dividend" in accordance with the provisions of the Tax Act. There may be restrictions on the ability of the Company to designate any particular dividend as an "eligible dividend".

A dividend received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income but will generally be deductible in computing the corporation's taxable income, subject to all of the rules and restrictions under the Tax Act in that regard. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. A corporation that is a "private corporation" (as defined in the Tax Act) or a "subject corporation" (for purposes of Part IV of the Tax Act), generally will be liable to pay an additional tax (refundable under certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on the Unit Shares or Warrant Shares in a year to the extent such dividends are deductible in computing taxable income for the year.

Disposition of Unit Shares, Warrants and Warrant Shares

A Resident Holder who disposes, or is deemed to dispose, of a Unit Share or a Warrant Share (other than to the Company unless purchased by the Company in the open market in the manner in which shares are normally purchased by a member of the public in an open market), or a Warrant (other than on the expiry or exercise thereof) generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Holder of such Unit Shares, Warrants or Warrant Shares, as the case may be, immediately before the disposition or deemed disposition. The taxation of capital gains and losses is generally described below under the heading "*Capital Gains and Capital Losses*".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the

amount of any capital gain (a "**taxable capital gain**") realized by the Resident Holder in such taxation year. Subject to and in accordance with the rules contained in the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition or deemed disposition of a Unit Share or Warrant Share may be reduced by the amount of any dividends received or deemed to have been received by such Resident Holder on such shares (or shares for which such shares have been exchanged in certain circumstances), to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Unit Shares or Warrant Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including amounts in respect of net taxable capital gains. Such Resident Holders should consult their own tax advisors.

Alternative Minimum Tax

Capital gains realized and dividends received or deemed to be received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors in this regard.

Taxation of Non-Resident Holders

The following portion of this summary is generally applicable to Holders who, for the purposes of the Tax Act and at all relevant times: (i) are neither resident nor deemed to be resident in Canada, (ii) do not use or hold Unit Shares or Warrants, and will not use or hold Warrant Shares, in the course of a business carried on or deemed to be carried on in Canada, (iii) are not a person who carries on an insurance business in Canada and elsewhere, (iv) are not an "authorized foreign bank" (as defined in the Tax Act), and (v) are not a "foreign affiliate" (as defined in the Tax Act) of a person resident in Canada at the end of the Holder's taxation year in which the Offering occurs. Holders who meet all of the foregoing requirements are referred to herein as "Non-Resident Holders", and this portion of the summary only addresses such Non-Resident Holders. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Receipt of Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company are subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless reduced by the terms of an applicable tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. For example, under the Canada-United States Tax Convention (1980) as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and entitled to full benefits under the Treaty (a "**U.S. Holder**") is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Disposition of Unit Shares, Warrants and Warrant Shares

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Unit Share, a Warrant or a Warrant Share unless such Unit Share, Warrant Share or Warrant, as the case may be, constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty or convention.

Provided the Unit Shares and Warrant Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the CSE) at the time of disposition, the Unit Shares, Warrants, and Warrant Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied concurrently: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Unit Shares and Warrant Shares was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties, whether or not such properties exist. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Unit Shares, Warrants, and Warrant Shares may be deemed to be taxable Canadian property.

Even if the Unit Shares, Warrants, and Warrant Shares are taxable Canadian property of a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Unit Shares, Warrants, and Warrant Shares by virtue of an applicable income tax treaty or convention. In cases where a Non-Resident Holder disposes, or is deemed to dispose, of a Unit Share, a Warrant (other than on the exercise thereof) or a Warrant Share that is taxable Canadian property of that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption from tax under the Tax Act or pursuant to the terms of an applicable income tax treaty or convention, the consequences under the heading "*Taxation of Resident Holders – Capital Gains and Capital Losses*" will generally be applicable to such disposition. Non-Resident Holders who may hold Unit Shares, Warrants or Warrant Shares as taxable Canadian property should consult their own tax advisors.

PLAN OF DISTRIBUTION

General

Pursuant to the terms and conditions contained in the Underwriting Agreement, the Company has agreed to sell and the Underwriter has agreed to purchase, as principal, on a "bought deal" basis, on the Closing Date, 30,000,000 Units for consideration of $15,000,000, payable in cash to the Company against delivery by the Company of the Unit Shares and Warrants comprising the Units. The obligations of the Underwriter under the Underwriting Agreement are subject to certain closing conditions and may be terminated at its discretion on the basis of customary termination provisions in the Underwriting Agreement (including those relating to "Restrictions on Distribution", "Material Changes", "Disaster Out", "Adverse Orders" and "Breaches") and may also be terminated upon the occurrence of certain other stated events. The Underwriter is obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement.

The Offering Price was determined by arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Common Shares on the CSE.

Each Unit consists of one Common Share of the Company and one Warrant. Each Warrant entitles the holder to purchase one Warrant Share of the Company at an exercise price of $0.70 per Warrant Share for a period of 36 months from the Closing Date, subject to adjustment in certain customary events.

The Warrants will be created and issued pursuant to the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into between the Company and the Warrant Agent. Each Warrant will entitle the holder thereof to purchase one Warrant Share at an exercise price of $0.70 per Warrant Share, subject to adjustment, at any time until 5:00 p.m. (Toronto time) on the date that is 36 months after the Closing Date, after which time the Warrants will expire and be void and of no value. The Warrant Indenture will contain provisions designed to protect the holders of the Warrants against dilution upon the occurrence of certain events. No fractional Common Shares will be issued upon the exercise of any Warrants.

The Company has granted to the Underwriter an Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriter, at any time and from time to time, until that date which is 30 days following the Closing Date, to purchase up to an additional 4,500,000 Additional Units, at the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. The grant of the Over-Allotment Option is qualified by this Prospectus. A person who acquires securities forming part of the Underwriter's over-allocation position acquires those securities under this Prospectus regardless of whether the Underwriter's over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriter's Fee, and net proceeds to the Company (before deducting expenses of the Offering) will be $17,250,000, $1,207,500 and $16,042,500, respectively.

The Company has applied to the CSE for approval of the listing of: (a) the Unit Shares; (b) the Warrants; (c) the Warrant Shares issuable upon exercise of the Warrants; (d) the Broker Unit Shares (as defined herein) partially comprising the Broker Units (as defined herein) issuable upon exercise of the Broker Warrants; (e) the Broker Unit Warrants (as defined herein) partially comprising the Broker Units issuable upon exercise of the Broker Warrants; (f) the Broker Unit Warrant Shares (as defined herein) issuable upon exercise of the Broker Unit Warrants; (g) the Corporate Finance Fee Unit Shares partially comprising the Corporate Finance Fee Units; (h) the Corporate Finance Fee Unit Warrants partially comprising the Corporate Finance Fee Units; and (i) the Corporate Finance Fee Unit Warrant Shares issuable upon exercise of the Corporate Finance Fee Unit Warrants. Listing will be subject to the Company fulfilling all of the requirements of the CSE. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants acquired under this Prospectus. See "*Risk Factors*".

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriter may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares for its own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriter may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriter has reserved the right to form a selling group of appropriately registered dealers and brokers, with compensation to be negotiated between the Underwriter and such selling group participants, but at no additional cost to the Company.

The Unit Shares and the Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person.

The Underwriter has agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable U.S. federal and state securities laws, it will not offer or sell the Units at any time

to, or for the account or benefit of, any person in the United States or any U.S. Person as part of the Offering. The Underwriting Agreement permits the Underwriter to re-offer and re-sell the Units that it has acquired pursuant to the Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**")) that are, or are acting for the account or benefit of, a person in the United States or a U.S. Person in compliance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). Moreover, the Underwriting Agreement provides that the Underwriter will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S. The Units, and the Unit Shares and the Warrants comprising the Units, that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and any Warrant Shares issued upon the exercise of such Warrants, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company; provided, however, that a holder who is a Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that form a part of those Units.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until forty (40) days after the commencement of the Offering, an offer or sale of the Units, Unit Shares or Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

The Underwriter's obligations may be terminated at its discretion upon the occurrence of certain customary stated events to be set forth in the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Company has agreed to indemnify the Underwriter and its affiliates, directors, officers and employees against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims provided that the Company has consented to such settlement, such consent not to be unreasonably withheld), that arise out of or are based, directly or indirectly, upon the performance of the professional services rendered to the Company by the Underwriter or its affiliates, directors, officers and employees. This indemnity does not apply to the extent such fees, costs, expenses, losses, claims, actions, damages, fines, penalties, or liabilities as to which indemnification is claimed arise out of gross negligence, illegality, willful misconduct, or fraud in the performance of such professional services.

Except for the Offering, the Company has agreed, until the date that is ninety (90) days from the Closing Date, without the prior written consent of the Underwriter, not to issue any additional equity or quasi-equity securities except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Company and other share compensation arrangements, (ii) outstanding warrants, (iii) obligations in respect of existing agreements, and (iv) the issuance of securities in connection with asset or share acquisitions in the normal course of business, such consent not to be unreasonably withheld or delayed.

The Offering is being made in each of the provinces of Canada other than Québec. The Units will be offered in each of the relevant provinces through the Underwriter or its affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriter. Subject to applicable law, the Underwriter may offer the Units outside of Canada.

Certificates

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Units will be delivered under the book-based system through CDS or its nominee and deposited in registered or electronic form with CDS on the Closing Date, or such other date as may be agreed upon by the Company and the Underwriter, provided that the Units are to be taken up by the Underwriter on or before the date that is not later than ninety (90) days after the date of the receipt for the final short form prospectus relating to the Offering. No certificates evidencing the Unit Shares and Warrants comprising the Units will be issued to subscribers, except in certain limited circumstances, and as such a purchaser of Units will receive only a customer confirmation from the registered dealer through which the Units are purchased.

Pricing of the Offering

The Offering Price was negotiated among the Company and the Underwriter. Among the factors considered in determining the Offering Price were the following:

- the market price of the Common Shares;
- prevailing market conditions;
- the capital structure of the Company;
- estimates of the business potential and earnings prospects of the Company;
- availability of comparable investments;
- an overall assessment of management of the Company; and
- the consideration of these factors in relation to market valuation of companies in related businesses.

Commissions and Expenses

Pursuant to the terms of the Underwriting Agreement, and in consideration for the services rendered by the Underwriter in connection with the Offering, the Company has agreed to pay and the Underwriter will receive the Underwriter's Fee equal to 7.0% of the aggregate gross proceeds of the Offering, payable in cash, including in respect of any gross proceeds raised on the exercise of the Over-Allotment Option. Upon closing of the Offering, the Company has also agreed to issue to the Underwriter a number of Broker Warrants as is equal to 7.0% of the aggregate number of Units sold pursuant to the Offering (including, for greater certainty, any additional Units issued upon the exercise of the Over-Allotment Option), at an exercise price equal to the Offering Price, subject to customary adjustment, for a period of 36 months following the Closing Date. Each Broker Warrant will entitle the holder thereof to purchase one Broker Unit at an exercise price of $0.50 per Broker Unit for a period of 36 months from the Closing Date. Each Broker Unit shall consist of (a) one Broker Unit Share; and (b) one Broker Unit Warrant, subject to customary adjustment. Each Broker Unit Warrant shall be exercisable into one Broker Unit Warrant Share on the same terms as the Warrants. As additional consideration, the Company shall also pay the Underwriter a corporate finance fee equal to that number of Corporate Finance Fee Units which is equal to 2.5% of the aggregate number of Units issued pursuant to the Offering (including, for greater certainty, any additional Units issued upon the exercise of the Over-Allotment Option). Each Corporate Finance Fee Unit will be comprised of one Corporate Finance Fee Unit Share and one Corporate Finance Fee Unit Warrant. Each Corporate Finance Fee Unit Warrant shall be exercisable into one Corporate Finance Fee Unit Warrant Share on the same terms as the Warrants. This Prospectus qualifies the distribution of the Broker Warrants and the Corporate Finance Fee Units.

The aggregate Underwriter's Fee will be $1,050,000 (assuming no exercise of the Over-Allotment Option).

If the Over-Allotment Option is exercised in full, the aggregate Underwriter's Fee will be $1,207,500.

The Company has further agreed to pay to the Underwriter for all reasonable expenses relating to the Offering, whether or not the Offering is completed, as follows: (i) all reasonable expenses of or incidental to the issue, sale or distribution of the Units; and (ii) the fees of the Underwriter's legal counsel, all disbursements of such legal counsel and all applicable taxes on such fees and disbursements, and (iii) all reasonable costs incurred in connection with the preparation of documentation related to the Offering.

This Prospectus qualifies the grant of the Corporate Finance Fee Shares, the Corporate Finance Fee Warrants and the Broker Warrants.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Units

Each Unit will be comprised of one Unit Share and one Warrant. Each Warrant will entitle the holder to purchase, subject to adjustment in certain circumstances, one Warrant Share at a price of $0.70, subject to adjustment in certain customary events, for a period of 36 months following the Closing Date. The Units will separate into Unit Shares and Warrants immediately upon issue.

The Company is authorized to issue an unlimited number of Common Shares without par value. Each Common Share carries the right to attend and vote at all general meetings of shareholders. As at September 30, 2020, 162,762,912 Common Shares were issued and outstanding. In addition, as of September 30, 2020, there are 14,243,157 Common Shares issuable on the exercise of stock options and 1,743,000 Common Shares issuable on the exercise of warrants.

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company and to attend and cast one (1) vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Company's Board of Directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro-rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of Shares ranking senior in priority to or on a pro-rata basis with the holders of Common Shares with respect to dividends or liquidation.

No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of Common Shares may be created without the approval of the holders of the Common Shares. Holders of Common Shares are entitled to dividends, if any, as and when declared by the directors, and to one (1) vote per Common Share at meetings of shareholders.

Warrants

Each Warrant entitles the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of $0.70 on or before 4:30 p.m. (Vancouver time) on the date that is 36 months following the Closing Date, after which time the Warrants will be void and of no value.

The Warrants will be created and issued pursuant to the term of the Warrant Indenture. The Company will designate the Warrant Agent, in its Vancouver office, as Underwriter for the Warrants. Prior to the closing of the Offering, the Company may name any other Underwriter with respect to the Warrants.

The following is a summary of the material provisions of the Warrants to be issued pursuant to the Offering and certain anticipated provisions of the Warrant Indenture. The summary does not purport to be complete

and is qualified in its entirety by the detailed provisions of the Warrant Indenture. Upon execution, a copy of the Warrant Indenture may be obtained on request from the Company's Corporate Secretary and will be available electronically at www.sedar.com and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including but not limited to:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of any outstanding warrants or options);

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

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

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

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

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

(i) the reclassification of the Common Shares;

(ii) the capital reorganization of the Company, other than as described above;

(iii) the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any reclassification of the Company's outstanding Common Shares or a change of the Common Shares into other shares); or

(iv) the sale or conveyance of the Company's property or assets as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, a prescribed number of days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be

made in lieu thereof. Any fraction of a Warrant Share will be rounded down to the nearest full Warrant Share, and any holder of Warrants shall not be entitled to any compensation in respect of any such fractional Warrant Share. Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants, cumulatively, and passed by the affirmative vote of holders of Warrants representing not less than 75% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the holders of not less than 75% of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company; provided, however, that a holder who is a Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that form a part of those Units.

The Warrant Indenture and the Warrants will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Company will submit to the non-exclusive jurisdiction of any court of the Province of Ontario for purposes of all legal actions and proceedings instituted in connection with the Warrant Indenture and the Warrants.

Broker Warrants

As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriter such number of Broker Warrants as is equal to 7.0% of the aggregate gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option). Each Broker Warrant will entitle the holder thereof to purchase one Broker Unit at an exercise price of $0.50 per Broker Unit for a period of 36 months from the Closing Date. Each Broker Unit shall consist of one Broker Unit Share; and (b) one Warrant, subject to customary adjustment in certain circumstances. This Prospectus qualifies the grant of the Broker Warrants.

The certificate representing the Broker Warrants will provide for standard adjustments in the number of Broker Unit Share issuable upon the exercise of the Broker Warrants and/or the exercise price per Broker Warrant subject to a Broker Warrant upon the occurrence of certain events, including if the Company:

(i) subdivides, re-divides or changes its outstanding Common Shares into a greater number of Common Shares;

(ii) consolidates, reduces or combines its outstanding Common Shares into a smaller number of Common Shares; or

(iii) fixes a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of

a stock dividend (other than rights, options or Warrants exercisable within a period expiring not more than 45 days after the record date for such issue to acquire Common Shares or securities exchangeable for or convertible into Common Shares at a price per Common Share, or at an exchange or conversion price per Common Shares, of at least 95% of the "current market price" of the Common Shares on such record date).

Holders of Broker Warrants will not have any voting or any other rights which a holder of Common Share or Warrants would have.

PRIOR SALES

For the twelve (12) month period before the date of this Prospectus, the Company issued the following Common Shares and securities convertible into Common Shares:

Date Issued	Number of Securities	Type of Security	Issue/ Exercise Price per Security	Nature of consideration
April 30, 2020	17,000,000	Common Shares	$0.071	Consideration shares issued to former holders of 1220611 B.C. Ltd ("**Mydecine Group**") in connection with the acquisition of Mydecine Group
May 6, 2020	28,000,000	Common Shares	$0.106	Consideration shares issued to former shareholders of Trellis Holdings Oregon Op LLC in connection with the acquisition of Trellis Holdings.
May 7, 2020	52,908,420	Common Shares	$0.05	Common shares issued in connection with the non-brokered private placement closed on May 7, 2020.
May 7, 2020	529,034	Common Shares	$0.05	Portion of the Finder's fees in connection with the non-brokered private placement closed on May 7, 2020.
May 7, 2020	1,183,000	Finder's Warrants[(1)]	$0.05	Finder's warrants issued in connection with the non-brokered private placement closed on May 7, 2020.
June 19, 2020	345,500	Common Shares	$0.30	Portion of Finder's fees in connection with the non-brokered private placement closed on June 19, 2020
June 19, 2020	172,750	Warrants	$0.50	Finder's warrants issued in connection with the non-brokered private placement closed on June 19, 2020

June 19, 2020	8,000,000	Units[2]	$0.30	Units issued in connection with the brokered private placement closed on June 19, 2020.
June 19, 2020	4,000,000	Warrants[3]	$0.50	Warrants issued in connection with the brokered private placement closed on June 19, 2020.
August 21, 2020	6,666,667	Common Shares	$0.55	Consideration shares issued to former shareholders of Mindleap in connection with the acquisition of Mindleap.
September 3, 2020	9,000,000	Common Shares	$0.70	Consideration shares issued to former shareholders of NeuroPharm in connection with the acquisition of NeuroPharm.
September 3, 2020	10,000,000	Performance Warrants[4]	Equals to a 20% discount to the Company's market price on the date of exercise	Performance Warrants issued to former shareholders of NeuroPharm in connection with the acquisition of NeuroPharm.
September 9, 2020	249,851	Common Shares	$0.33	Common shares issued in connection with a debt settlement agreement settling a principal amount of $82,450.80.
September 9, 2020	57,750	Common Shares	$0.05	Common Shares issued pursuant to an exercise of warrants
September 16, 2020	3,000,000	Options[5]	$0.24	Incentive stock options issued to Damon Michaels to purchase up to 3,000,000 Common Shares of the Company pursuant to its stock option plan.
September 21, 2020	74,286	Common Shares	$0.21	Common shares issued in connection with a debt settlement agreement settling a principal amount of $15,600.00.
September 25, 2020	8,000,000	Options[6]	$0.21	Incentive stock options issued to various directors and officers of the Company to purchase up to 8,000,000 Common Shares of the Company pursuant to its stock option plan.

September 28, 2020	35,737,460	Warrants[7]	$0.30	Share purchase warrants issued to certain shareholders of the Company as consideration for entering into lock-up agreements.
September 29, 2020	38,500	Common Shares	$0.05	Common Shares issued pursuant to an exercise of warrants
September 30, 2020	1,000,000	Options[8]	$0.26	Incentive stock options issued to Michael A. Connolly to purchase up to 1,000,000 Common Shares of the Company pursuant to its stock option plan.
October 1, 2020	73,150	Common Shares	$0.05	Common Shares issued pursuant to an exercise of warrants
October 2, 2020	3,684,783	Common Shares	$0.23	Common shares issued in connection with a debt settlement agreement settling a principal amount of $847,500.00.
October 16, 2020	$4,700,000	Secured Convertible Debenture Notes[9]	$0.20	Secured convertible debentures issued in connection with a non-brokered private placement closed on October 16, 2020
October 8, 2020	100,000	Options	$0.30	Incentive stock options issued to Dr. Mali Reddy to purchase up to 100,000 Common Shares of the Company pursuant to its stock option plan.
October 21, 2020	200,000	Common Shares	$0.21	Common shares issued pursuant to an exercise of options
December 4, 2020	7,602,740	Common Shares	$0.20	Common Shares issued pursuant to a conversion of debenture
December 4, 2020	7,602,740	Warrants	$0.30	Warrants issued pursuant to a conversion of debentures
December 11, 2020	19,250	Common Shares	$0.05	Common Shares issued pursuant to an exercise of warrants
December 15, 2020	1,800,000	Common Shares	$0.30	Common Shares issued pursuant to an exercise of warrants
December 18, 2020	508,767	Common Shares	$0.20	Common Shares issued pursuant to a conversion of debentures

December 18, 2020	508,767	Warrants	$0.30	Warrants issued pursuant to a conversion of debentures
December 18, 2020	82,500	Common Shares	$0.50	Common Shares issued pursuant to an exercise of warrants
January 15, 2021	600,000	Common Shares	$0.30	Common Shares issued pursuant to an exercise of warrants

Notes:

(1) Each finder's warrant is exercisable to purchase one additional Common Share at a price of $0.05 per share for a period of twelve (12) months from closing.

(2) Each unit is comprised of one Common Share and one-half of one Common Share purchase warrant entitling the holder thereof to acquire one Common Share for a period of two (2) years from the date of issuance thereof at a price of $0.50 per Common Share, to an accelerated expiry if the closing trading price of the Company common shares is greater than $1.00 per share for a period of ten (10) consecutive trading days (the "**Acceleration Event**"). The Company will give notice to the holders of the Acceleration Event and the share purchase warrants will expire thirty (30) days thereafter.

(3) Each warrant is exercisable at a price of $0.50 for a period of two (2) years from the date of issuance, subject to the Acceleration Event.

(4) The performance warrants (each a "**Performance Warrant**") shall vest in tranches upon the achievement of certain clinical trial and patent application milestones. Each Performance Warrant upon vesting will be exercisable into Common Shares at a price per share equal to a 20% discount to the market price of the Common Shares on the trading date immediately preceding receipt of notice of exercise from the Performance Warrant holder. The Performance Warrants will expire five (5) years following the closing date.

(5) The options have a term of five (5) years and an exercise price of $0.24 per option.

(6) The options have a term of five (5) years and an exercise price of $0.21 per option.

(7) Every four (4) share purchase warrants will entitle the holder thereof to purchase one additional Common Share at a price of $0.30 per share until September 28, 2021.

(8) The options have a term of five (5) years and an exercise price of $0.26 per option.

(9) Each debenture has a maturity date of twelve (12) months from the closing date and bears interest at a rate of 10% per annum. Each debenture holder may convert the principal amount of the subject debenture into conversion units (each a "**Conversion Unit**") at a conversion rate of $0.20 per Conversion Unit. Each Conversion Unit will consist of one (1) Common Share and one (1) Common Share purchase warrant (each a "**Conversion Warrant**"). Each Conversion Warrant will entitle the holder thereof to purchase one additional Common Share (each a "**Warrant Share**") at a price of $0.30 per Warrant Share for a period of twenty-four (24) months from the issuance date of the Conversion Warrant.

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the trading symbol "MYCO". The Common Shares also trade on the OTC Pink Sheets under the symbol "MYCOF" and the Frankfurt Stock Exchange under the symbol "0NFA". The following tables set forth information relating to the trading of the Common Shares on the CSE for the monthly periods during the twelve (12) months prior to the date of this Prospectus.

Month / Year	High ($)	Low ($)	Volume
January 2020	0.16	0.085	1,605,453
February 2020	0.15	0.095	5,344,566
March 2020	0.12	0.04	1,549,788
April 2020	0.145	0.065	6,598,945
May 2020	0.85	0.12	33,383,685
June 2020	1.15	0.6	16,912,603
July 2020	0.9	0.47	9,988,457
August 2020	0.61	0.32	12,002,749
September 2020	0.54	0.18	27,931,114
October 2020	0.39	0.18	60,675,038

November 2020	0.335	0.165	44,054,424
December 2020	0.68	0.26	71,318,002
January 2021	0.60	0.38	32,423,607

On January 13, 2021, the last full trading day before the announcement of the Offering, the closing price per Common Share on the CSE was $0.57 per Common Share.

RISK FACTORS

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

Prospective purchasers should carefully consider all information contained in this Prospectus, including the AIF and all other documents incorporated by reference, and the information contained in the section entitled "Caution Regarding Forward-Looking Information" before deciding to purchase the Units.

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

Risks Related to the Offering

An Investment in the Units is Speculative

An investment in the Units and the Company's prospects generally are speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment and should carefully consider the risk factors described below, under the heading "Risk Factors" in the AIF and in the other documents incorporated by reference herein. The risks described below, in the AIF and in the other documents incorporated by reference herein, are not the only ones faced by the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the AIF or in the other documents incorporated by reference herein actually occur, then the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the AIF and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Company.

Discretion in the Use of Proceeds

The Company intends to use the net proceeds from the Offering as set forth under "Use of Proceeds"; however, the Company maintains broad discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. The Company may re-allocate the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if management of the Company believes it would be in the Company's best interest to do so and in ways that a purchaser may not consider desirable. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Board of Directors. As a result, a purchaser will be relying on

the judgment of management of the Company for the application of the net proceeds of the Offering. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's results of operations may suffer, which could adversely affect the price of the Common Shares on the open market.

Additional Financing

The continued development of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company intends to fund its future business activities by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company will require additional financing to fund its operations until positive cash flow is achieved. See "*Risk Factors – Negative Cash Flow from Operations*".

Forward-looking Statements May Prove to be Inaccurate

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this short form prospectus under the heading "Cautionary Statement Regarding Forward Looking Information".

Market Price of the Common Shares is Volatile

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. The prices at which the Common Shares will trade cannot be predicted and this volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the following: actual or anticipated fluctuations in the Company's quarterly results of operations; the Company's operating results failing to meet expectations of securities analysts or investors in any period; downward revision in securities analysts' estimates; adverse changes in general market conditions or economic trends; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; dispositions or other material public announcements by the Company or its competitors; operating and share price performance of other companies that investors deem comparable to the Company; and news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such

increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Risk Factors Related to Dilution

The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares. The Company's shareholders do not have pre-emptive rights in connection with any future issuances of securities by the Company. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company's stock option plan, and upon the exercise of outstanding warrants.

Risk Factors Related to Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Warrants are speculative in nature and may not have any value

The Company will apply to list the Warrants on the CSE. Listing will be subject to the Company fulfilling all of the requirements of the CSE. There is no guarantee that the Company's application for listing of the Warrants will be approved and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Common Shares and pay an exercise price of $0.70 per Common Share, subject to certain adjustments, prior to the date that is thirty-six (36) months following the Closing Date, subject to acceleration in certain circumstances, after which date any unexercised Warrants will expire and have no further value. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

Liquidity of the Common Shares

An investment in the Common Shares may be difficult to realize. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realize less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realize their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some that may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

Investment Eligibility

There can be no assurance that the Units will continue to be qualified investments under relevant Canadian tax laws for trusts governed by RRSPs, RRIFs, deferred profit sharing plans, RESPs, RDSPs and TFSAs. The Tax Act imposes penalties for the acquisition or holding of nonqualified or prohibited investments. See "Eligibility for Investment".

Risks Related to the Business of the Company

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to successfully develop its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Cash Flow from Operations

The Company had negative cash flow for the nine (9) months ended September 30, 2020 and a negative cash flow for the year ended December 31, 2019. To the extent that the Company has negative operating cash flow in future periods, it will need to allocate a portion of its cash (including proceeds from the Offering) to fund such negative cash flow. If the Company experiences future negative cash flow, the Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Company.

Limited Operating History

The Company has no products producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from its products in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve profitable sales from the Company's existing and future products. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Management of Growth

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

Retention and Acquisition of Skilled Personnel

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance. The loss of any member of the Company's management team could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, if and when the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Conflicts of Interest

All of the Company's directors and officers act as directors and/or officers of other health and wellness companies. As such, the Company's directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Company's directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 11, 2020, the World Health Organization declared the outbreak a pandemic, and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and Asia. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic.

Such public health crises can result in volatility and disruptions in the supply and demand for cannabis products, global supply chains and financial markets, as well as declining trade and market sentiment, and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased

labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. The extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition. To the knowledge of the Company's management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to the Company in relation to the Company's plan of distribution and use of proceeds related to the Offering, nor to the timelines, business objectives or disclosed milestones related thereto. The Company relies on third parties to conduct and monitor the Company's pre-clinical studies and clinical trials. However, to the knowledge of the Company's management, the ability of these third parties to conduct and monitor pre-clinical studies and clinical trials has not been and is not anticipated to be impacted by COVID-19. The Company is not currently aware of any changes in laws, regulations or guidelines, including tax and accounting requirements, arising from COVID-19 which would be reasonably anticipated to materially affect the Company's business.

Success of Products is Dependent on Public Taste

The Company's revenues are substantially dependent on the success of its products, which depends upon, among other matters, pronounced and rapidly changing public tastes, factors which are difficult to predict and over which the Company has little, if any, control. A significant shift in consumer demand away from the Company's products or its failure to expand its current market position will harm its business. Consumer trends change based on several possible factors, including nutritional values, a change in consumer preferences or general economic conditions.

Raw Materials

The Company's products are derived from mushrooms and CBD. Accordingly, the Company and/or its manufacturers must acquire enough raw materials so that the products can be produced to meet the demand of its customers. A mushroom and/or CBD shortage could result in loss of sales and damage to the Company. If the Company and/or its manufacturers become unable to acquire commercial quality raw materials on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce raw materials at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Company will likely be unable to meet customer demand.

Limited Number of Products

The Company is heavily reliant on the production and distribution of mushroom and CBD related products. If they do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability.

The Company's revenue is derived almost exclusively from sales of mushroom and CBD based products, and the Company expects that its mushroom and CBD based products will account for substantially all of its revenue for the foreseeable future. If the mushroom and/or CBD market declines or mushroom and/or CBD fails to achieve substantially greater market acceptance than it currently enjoys, the Company will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of mushrooms or CBD. Adverse publicity about mushroom or CBD based products that the Company sells may discourage consumers from buying products distributed by the Company.

Consumer Perception of Mushrooms

The Company will be highly dependent upon consumer perception of mushrooms and mushroom based products. The public may associate its mushrooms with illegal psychoactive mushrooms, which are prohibited substances. The Company's revenues may be negatively impacted due to the fact the market

does not fully accept the mushrooms as a food product.

Therapies containing controlled substances may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of and increased expenses for our drug candidates. Opponents of these therapies may seek restrictions on marketing and withdrawal of any regulatory approvals. In addition, these opponents may seek to generate negative publicity in an effort to persuade the medical community to reject these therapies. For example, we may face media-communicated criticism directed at our clinical development program. Adverse publicity from psilocybin misuse may adversely affect the commercial success or market penetration achievable by our drug candidates. Anti-psychedelic protests have historically occurred and may occur in the future and generate media coverage. Political pressures and adverse publicity could lead to delays in, and increased expenses for, and limit or restrict the introduction and marketing of, our drug candidates. If any of our drug candidates are approved for commercial sale, their success will be highly dependent upon consumer perceptions of their safety and quality. They may face limited adoption if third-party therapy sites, therapists, and patients are unwilling to try such novel treatments. There has been a history of negative media coverage regarding psychedelic substances, including psilocybin, which may affect the public's perception of our drug candidates. In addition, psilocybin elicits intense psychological experiences, and this could deter patients from choosing this course of treatment. We could be adversely affected if we were subject to negative publicity or if any of our drug candidates or any similar drugs distributed by other companies prove to be, or are asserted to be, harmful to patients. Because of our dependence upon consumer perception, any adverse publicity associated with illness or other adverse effects resulting from patients' use or misuse of our drugs or any similar drugs distributed by other companies could have a material adverse impact on our business, prospects, financial condition and results of operations. Future adverse events in research into neuropsychiatric disorders, or the pharmaceutical industry more generally, could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our drug candidates. Any increased scrutiny could delay or increase the costs of obtaining regulatory approval for our drug candidates.

Brand Awareness

The Company's products are sold in the United States and certain locations throughout Europe and online. Brand awareness has not been achieved inside or outside these regions. There is no assurance that the Company will be able to achieve brand awareness in any of these regions. In addition, the Company must develop successful marketing, promotional and sales programs in order to sell its products. If the Company is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Development of New Products

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Certain Arrangements with Research Partners Not Formalized

There are no formal agreements in place that details the terms and governs the relationship between the Company and each of Leiden University, the University of Alberta and Royal Ottawa in regards to the applicable Phase 2a Clinical Trial, and, although the Company intends to enter into such formal agreements, they may never be entered into. Currently, the terms of the arrangements are based on correspondence between the Company and each research partner. The absence of formal agreements could adversely affect the oversight and operations of these arrangements, and the lack of clarity and specifically defined roles could lead to a strain on, or breakdown of, the working relationship between the Company and these universities. Furthermore, in the event of a dispute, it will not be immediately clear what recourse each party has against the other, if any.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Failure to Achieve its Publicly Announced Milestones

From time to time, the Company may announce the timing of certain events it expects to occur, such as the anticipated timing of future clinics becoming operational, research and development updates and results. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. These variations in timing may occur as a result of different events, beyond the Company's control having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of the Common Shares.

Regulatory Compliance

Achievement of the Company's business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. The Company may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. See "*Risk Factors –Regulatory Compliance".*

Regulatory Changes

In Canada, psilocybin is classified as a Schedule III drug under the CDSA. In the United States, psilocybin is classified as a Schedule I drug under the CSA. All activities involving such substance by or on behalf of the Company are conducted in accordance with applicable federal, provincial, state and local laws. While the Company is focused on programs using psilocybin, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws the jurisdictions in which the Company operates could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company operates, or private citizens or criminal charges.

Any changes in applicable laws and regulations could have an adverse effect on the Company's operations. The psychedelic drug industry is a fairly new industry and the Company cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Company.

The success of the Company's business is dependent on its activities being permissible under applicable laws and any reform of controlled substances laws or other laws may have a material impact on the Company's business and success. There is no assurance that activities of the Company will continue to be legally permissible.

Risks related to Clinical Testing

Before obtaining marketing approval from regulatory authorities for the sale of the Company's product candidates, it must conduct pre-clinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of pre-clinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. The Company does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Company faces is the possibility that none of its product candidates under development will successfully gain market approval from Health Canada or other regulatory authorities, resulting in the Company being unable to derive any commercial revenue from this business segment after investing significant amounts of capital in its development.

The Company cannot predict whether any clinical trials, including the Phase 2a Clinical Trials, will begin as planned, will need to be restructured, or will be completed on schedule, or at all. The Company's product development costs will increase if it experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which the Company may have the exclusive right to commercialize its product candidates or allow its competitors to bring products to market before the Company, which would impair the Company's ability to successfully commercialize its product candidates and may harm its financial condition, results of operations and prospects. The Company's product development costs will increase if it experiences delays in testing or approval or if the Company needs to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and the Company may need to amend study protocols to reflect these changes. Amendments may require the Company to resubmit its study protocols for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on the Company's business, financial condition and prospects.

In addition, the human trial stage of the Company's clinical trials, including the Phase 2a Clinical Trials, cannot commence until the respective research partner provides its internal approvals of the trial, including ethics board approval, and all Health Canada approvals, licenses and exemptions are put in place in order to be permitted to carry out the clinical trials, including the related activities involving psilocybin.

The Company's prospects depend on the success of its product candidates which are at early stages of development, and it may not generate revenue for several years, if at all, from these products

Given the early stage of its product development, the Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. To obtain regulatory approvals for its product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time

of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and the Company can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of the Company's product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company is successful in developing its current and future product candidates into approved products, the Company will still experience many potential obstacles, which would affect the Company's ability to successfully market and commercialize such approved products, such as the need to develop or obtain manufacturing, marketing and distribution capabilities, price pressures from third-party payors, or proposed changes in health care systems. If the Company is unable to successfully market and commercialize any of its products, its financial condition and results of operations may be materially and adversely affected.

The Company can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and the Company cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain regulatory approval. If the Company fails to produce positive results in its clinical trials, the development timeline and regulatory approval and commercialization prospects for the Company's leading product candidates, and, correspondingly, its business and financial prospects, would be materially adversely affected.

Patients for Clinical Trials

If any of the Company's products advance from pre-clinical testing to clinical testing, and then through progressively larger and more complex clinical trials, the Company will need to enroll an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and the Company may be unable to enroll the patients it needs to complete clinical trials on a timely basis or at all.

Future Health Canada Approval

If the Company decides to directly conduct any future research in Canada into products that involve ingredients that are controlled under the CDSA (including certain psychedelics such as psilocybin) it will require a research license or Section 56 Exemption from Health Canada with similar controlled substance authorizations required from a federal competent authority in other jurisdictions. There is no assurance that such exemption would be granted, and if it were not to be granted, it might prevent the Company from handling and researching such products in Canada without collaborating with a licensed partner.

Product Liability

As a distributor of products designed to be ingested or inhaled by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused damages, loss or injury. In addition, the sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material

adverse effect on the results of operations and financial condition of the Company.

The Company currently does not carry any product liability insurance coverage. Even though the Company is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition and results of operations.

Although the Company intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability coverage that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Product Liability Claims

The Company may be required to pay for losses or injuries purportedly or actually caused by its products. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. In the event that the Company's products are found to cause any injury or damage, the Company will be subject to substantial liability. This liability may exceed the funds available by the Company and result in the failure of its business.

Distribution/Supply Chain Interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution in Canada is largely accomplished through independent contractors, therefore, an interruption (e.g., a labour strike) for any length of time affecting such independent contractors may have a significant impact on the Company's ability to sell its products. Supply chain interruptions, including a production or inventory disruption, could impact product quality and availability. Inherent to producing products is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. The Company monitors category trends and regularly reviews maturing inventory levels.

Reliance on Third Party Manufacturers

The Company relies on outside sources to manufacture its products. The failure of such third party packagers to deliver either components or finished goods on a timely basis could have a material adverse effect on the business. The Company does not intend to develop its own packaging capacity in the short term. As these are third parties over which the Company will have little or no control, the failure of such third parties to provide components or finished goods on a timely basis could have a material adverse effect on the business, financial condition and operating results.

Reliance on Marketing Partners and Future Distributors

The Company sells its products online directly to end customers and it relies on third parties for the sale and marketing of our products at retail locations. We plan to engage a distribution company to permit the Company to develop and extensive regional sales and distribution network throughout Canada. To the extent that marketing partners and distributors are distracted from selling the Company's products or do not expend sufficient efforts in managing and selling its products, the Company's future sales will be adversely affected. The Company's ability to grow our distribution network and attract additional distributors will depend on several factors, many of which are outside of its control. Some of these factors include: (i) the level of demand for the Company's brand and products in a particular distribution area; (ii) our ability to price our products at levels competitive with those offered by competing products and (iii) the Company's ability to deliver products in the quantity and at the time ordered by distributors.

Product Recalls

Manufacturers, producers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention.

Although the Company's suppliers have detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if the Company is subject to recall, the image of the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Intellectual Property Protection

The laws and positions of intellectual property offices administering such laws regarding intellectual property rights relating to psilocybin, CBD and related products are constantly evolving, and there is uncertainty regarding which countries will permit the filing, prosecution, issuance, registration and enforcement of intellectual property rights relating to psilocybin and CBD. The Company's ability to obtain registered trademark protection for psilocybin, CBD and related products, may be limited in certain countries, including the United States, where registered federal trademark protection is currently unavailable for trademarks covering the sale of cannabis products or certain goods containing U.S. hemp-derived CBD (such as dietary supplements and foods) until the FDA provides clearer guidance on the regulation of such products. Accordingly, the Company's ability to obtain intellectual property rights or enforce intellectual property rights against third-party uses of similar trademarks may be limited.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations.

Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Emerging Market Risks

The Company has operations in Jamaica, an emerging market country, and may have operations in additional emerging markets in the future. Such operations expose the Company to the socio-economic conditions as well as the laws governing the activities of the Company in Jamaica and any other jurisdiction where the Company may have operations in the future. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates, military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licenses, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange

and repatriation; and changing political norms, banking and currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

The Jamaican government, or other governments in emerging markets where the Company may have operations in the future, may intervene in its economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in the research, cultivation and development of psilocybin mushroom and other botanicals policies or shifts in political attitude in Jamaica or other countries where the Company may have operations in the future may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Failure to comply strictly with applicable laws, regulations and local practices could materially impact the Company's operations in Jamaica or other countries where the Company may have operations in the future. The Company continues to monitor developments and policies in Jamaica to assess the impact thereof to its operations or future operations; however, such developments cannot be predicted and could have an adverse effect on the Company's operations in Jamaica.

Jamaica has a history of economic instability (such as inflation or recession). In 2013, Jamaica launched an ambitious reform program to stabilize the economy, reduce debt, and fuel growth, gaining national and international support. While there is no current political instability, and historically there has been no change in laws and regulations, this is subject to change in the future and could adversely affect the Company's business, financial condition and results of operations. Jamaica is vulnerable to natural disasters such as hurricanes and flooding and the effects of climate change. It is an upper middle-income economy that is nevertheless struggling due to low growth, high public debt, and exposure to external shocks.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of emerging markets, including Jamaica. Such events could materially and adversely affect the Company's business, financial condition and results of operations.

Financial and securities markets in Jamaica are influenced by the economic and market conditions in other countries, including other emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Jamaica, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into Jamaica and the market value of the securities of the Company.

The legal and regulatory requirements and local business culture and practices in Jamaica and the foreign countries in which the Company may expand are different from those in which it currently operates. The officers and directors of the Company will rely, to a great extent, on the Company's local legal counsel and local consultants and advisors in respect of legal, banking, labour, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations, particularly with respect to psilocybin or related operations. Increased compliance costs may be incurred by the Company. Further, there can be no assurance that the Company will develop a marketable product or service in Jamaica or any other foreign country. These factors may have a material adverse effect on the Company's research and development business and the results of its research and development operations.

In the event of a dispute arising in connection with the Company's operations in Jamaica or another a foreign jurisdiction where the Company may conduct business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental

instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control.

Other risks include the potential for fraud and corruption by suppliers or personnel or government officials which may implicate the Company, compliance with applicable anti-corruption laws, including the Corruption of Foreign Public Officials Act (Canada) by virtue of the Company's operating in jurisdictions that may be vulnerable to the possibility of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions and the Company's possible failure to identify, manage and mitigate instances of fraud, corruption, or violations applicable regulatory requirements.

To mitigate risk when operating in Jamaica, the Company may, in part, engage local counsel and/or consultants to advise on applicable regulatory and/or operational matters, as applicable, and it is anticipated that the Company's personnel will visit local operations as required to maintain regular involvement in such operations. No material language barriers exist.

Enforcement of legal rights in foreign jurisdictions

In the event of a dispute arising from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Employees May Engage in Misconduct or other Improper Activities

The Company's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business. The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards the Company has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Company. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's reputation. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Company's business and results of operations, including the imposition of substantial fines or other sanctions.

Acquisition of Businesses

The Company may expand its business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt the Company's business and harm its financial condition

The Company has in the past and may in the future seek to expand its pipeline and capabilities by acquiring one or more companies or businesses or entering into collaborations. Acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting the Company's management's attention away from other business concerns; entering markets in which the Company has limited or no direct experience; and potential loss of the Company's key employees or key employees of the acquired companies or businesses.

The Company's management has experience in making acquisitions and entering collaborations; however, the Company cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. The Company may incorrectly judge the value or worth of an acquired company or business. In addition, the Company's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. The Company cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

Anti-Money Laundering Laws and Regulations

The Company is subject to a variety of laws and regulations in Canada and the U.S. that involve money laundering, financial record-keeping and proceeds of crime, including the U.S. *Currency and Foreign Transactions Reporting Act of 1970* (commonly known as the *Bank Secrecy Act*), as amended by *Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (*USA PATRIOT Act*), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a chequing account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

Despite these laws, the Financial Crimes Enforcement Network ("**FinCEN**") issued the FinCEN Memorandum on February 14, 2014 outlining the pathways for financial institutions to bank marijuana businesses in compliance with federal enforcement priorities. The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance in a DOJ memorandum issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA (the "**2014 Cole Memo**"). The 2014 Cole Memo was rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes was not a DOJ priority.

Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memo and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to remain in effect as a standalone document which explicitly lists the eight enforcement priorities originally cited in the rescinded Cole Memorandum. Although the FinCEN Memorandum remains intact, indicating that the Department of the Treasury and FinCEN intend to continue abiding by its guidance, it is unclear whether the current administration will continue to follow the guidelines of the FinCEN Memorandum.

Overall, since the production and possession of cannabis is illegal under U.S. federal law, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the cannabis industry.

Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. As the Company will have a material ancillary involvement in the U.S. legal cannabis industry, the Company may find that it is unable to open bank accounts with certain Canadian financial institutions, which in turn may make it difficult to operate the Company's business.

The Company's activities, and any proceeds thereof, may be considered proceeds of crime due to the fact that cannabis remains illegal federally in the U.S. This may restrict the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its Shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Canadian Securities Regulatory Matters

The Company's involvement in the U.S. cannabis industry may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. It has been reported in Canada that the Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS, refuse to settle trades for cannabis issuers that have investments in the U.S. CDS is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S., despite media reports to the contrary, and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Shares to make and settle trades. In particular, the Common Shares would become highly illiquid and, until an alternative was implemented, investors would have no ability to effect a trade of the Common Shares through the facilities of a stock exchange, should the Common Shares have become listed on a stock exchange.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Common Shares are listed on a stock exchange, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, the Common Shares would become highly illiquid until an alternative was implemented, investors would have no ability to affect a trade of the Common Shares through the facilities of the applicable stock exchange.

Heightened Scrutiny

For the reasons set forth above, the Company's future investments in the U.S. may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the U.S. or any other jurisdiction, in addition to those described herein.

Change in Laws, Regulations and Guidelines

The Company's proposed business operations will indirectly be affected by a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis,

but also including laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require participants to incur substantial costs associated with compliance or alter certain aspects of its business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its planned operations.

Risks Relating to the Cannabis Industry

The cannabis industry is a new industry which is highly regulated, highly competitive and evolving rapidly, and psychedelics are illegal substances other than when used for scientific or medical purposes. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

These industries are subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the investee companies and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the investee companies' earnings and could make future capital investments or the investee companies' operations uneconomic. The cannabis industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

The processing, manufacturing, packaging, labeling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Disclosure Regarding the Company's Entities Carrying on Business in the United States Cannabis Industry

The following disclosure is intended to comply with the Canadian Securities Administrators Staff Notice 51-352 – Issuers with U.S. Marijuana-Related Activities.

Regulatory Risks

The U.S. legal cannabis industry is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may impact on actual results.

Participants in the U.S. legal cannabis industry will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased

compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the participant and, thereby, on the Company's prospective returns. Further, the Company may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect the Company's ability to conduct its business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on the Company's financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

The U.S. legal cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the participant and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's investments' earnings and could make future investments uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

The Company expects to derive its revenues from the U.S. legal cannabis industry, which industry is illegal under U.S. federal law. As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the U.S. are subject to inconsistent legislation and regulation.

The Company's financings are expected to be focused in those U.S. states that have legalized the medical and/or adult-use of cannabis. Almost half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis without limits on THC, while other states have enacted legislation to legalize and regulate the sale and use of medical cannabis with strict limits on the levels of THC. However, the U.S. federal government has not enacted similar legislation and the cultivation, sale and use of cannabis remains illegal under federal law pursuant to the CSA. The federal government of the U.S. has specifically reserved the right to enforce federal law in regards to the sale and disbursement of medical or adult-use use cannabis, even if state law sanctioned such sale and disbursement. It is presently unclear whether the U.S. federal government intends to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law. This risk was further heightened by the revocation of the Cole Memorandum (defined below) in January 2018.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's investments in such businesses would be materially and adversely affected notwithstanding that the Company may not be directly engaged in the sale or distribution of cannabis. U.S. federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana-related legislation could adversely affect the Company, its business and its investments. The Company's funding of businesses involved in the medical and adult-use cannabis industry may be illegal under the applicable federal laws of the United States and other applicable law. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially adverse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the Company's assets.

Nature of the Company's Involvement in the U.S. Cannabis Industry

Through the acquisition of Kured, Drink Fresh, ReLyfe and TeaLief, the Company has involvement in the cannabis industry in the United States. The Company is engaged in the distribution of vape pens and CBD

and THC derivatives in the United States.

Illegality under U.S. Federal Law

More than half of the U.S. states have enacted legislation to regulate the sale and use of cannabis on either a medical or adult-use level. However, notwithstanding the permissive regulatory environment of cannabis at the state-level, cannabis continues to be categorized as a controlled substance under the CSA in the U.S. and, as such, activities within the cannabis industry are illegal under U.S. federal law.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis-related businesses in the U.S. are subject to a higher degree of uncertainty and risk. Unless and until the U.S. federal government amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendment there can be no assurance), there can be no assurance that it will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. Such potential proceedings could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens; or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favor of the Company.

The inconsistent regulation of cannabis at the federal and state levels was addressed in 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the "**Cole Memorandum**") acknowledging that although cannabis is a controlled substance at the federal level, several U.S. states have enacted laws relating to cannabis for medical purposes. The Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. However, the Department of Justice ("**DOJ**") has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard. However, on January 4, 2018 the Cole Memorandum was revoked by Attorney General Jeff Sessions. While this did not create a change in federal law, as the Cole Memorandum was not itself law, the revocation added to the uncertainty of U.S. federal enforcement of the CSA in states where cannabis use is regulated. Attorney General Sessions also issued a one-page memorandum (the "**Sessions Memorandum**"). This confirmed the rescission of the Cole Memorandum and explained that the Cole Memorandum was "unnecessary" due to existing general enforcement guidance as set forth in the U.S. Attorney's Manual (the "**USAM**"). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the Attorney General," the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution," and "the cumulative impact of particular crimes on the community."

While the Sessions Memorandum does emphasize that marijuana is a Schedule I controlled substance and states the statutory view that it is a "dangerous drug and that marijuana activity is a serious crime," it does not otherwise guide U.S. Attorneys that the prosecution of marijuana-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether or not to prosecute marijuana-related offenses. U.S. Attorneys could individually continue to exercise their discretion in a manner similar to that displayed under the Cole Memorandum's guidance. Dozens of U.S. Attorneys across the country have affirmed their commitment to proceeding in this manner, or otherwise affirming that their view of federal enforcement priorities has not changed, although a few have displayed greater ambivalence. In California, at least one U.S. Attorney has made comments indicating a desire to enforce the CSA. Adam Braverman, Interim U.S. Attorney for the Southern District of California, has stated that the rescission of the Cole Memorandum "returns trust and local control to federal prosecutors" to enforce the CSA. Additionally, Greg Scott, the Interim U.S. Attorney for the Eastern District of California, has a history of prosecuting medical cannabis activity; and his office published a statement that cannabis remains illegal under federal law, and that his office would "evaluate violations of those laws in accordance with our

district's federal law enforcement priorities and resources."

The Rohrabacher Blumenauer Appropriations Amendment (originally the "**Rohrabacher-Farr Amendment**") has been included in federal annual spending bills since 2014. This amendment restricts the DOJ from using federal funds to prevent states with medical cannabis regulations from implementing laws that authorize the use, distribution, possession or cultivation of medical cannabis. In 2017, Senator Patrick Leahy (D-Vermont) introduced a parity amendment to H.R.1625–a vehicle for the *Consolidated Appropriations Act, 2018*, preventing federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding ("**Leahy Amendment**"). The Leahy Amendment was set to expire with the 2018 fiscal year on September 30, 2018; however, Congress approved a nine-week continuing resolution from the 2018 fiscal year (the "**Continuing Resolution**"). The Continuing Resolution has the result of providing ongoing and consistent protection for the medical cannabis industry until December 7, 2018. Congress has been negotiating the 2019 fiscal year appropriations since February 2018. Although we expect that language protecting the medical cannabis industry will be included in the final 2019 fiscal year appropriations bill, there can be no assurance that the final 2019 fiscal year appropriations bill will include appropriations protecting the medical cannabis industry.

American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state medical cannabis laws. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business, even those that have fully complied with state law, could be prosecuted for violations of federal law. If Congress restores funding, for example by declining to include the Rohrabacher-Farr Amendment in future budget resolutions, or by failing to pass necessary budget legislation and causing another government shutdown, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the five (5) year statute of limitations applicable to non-capital CSA violations. Additionally, it is important to note that the appropriations protections only apply to medical cannabis operations and provide no protection against businesses operating in compliance with a state's adult-use cannabis laws.

As previously stated, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, the listing of its securities on any stock exchange, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. The approach to the enforcement of laws related to cannabis may be subject to change or may not proceed as previously outlined.

The Company's activities in the U.S. cannabis industry will be made: (i) only in those states that have enacted laws legalizing cannabis in an appropriate manner; and (ii) only in those entities that have fully complied with such state (and local) laws and regulations and have the licenses, permits or authorizations to properly carry on each element of their business.

The Company will continue to monitor, evaluate and re-assess the regulatory framework in each state in which it may hold an investment, and the federal laws applicable thereto, on an ongoing basis; and will update its continuous disclosure regarding government policy changes or new or amended guidance, laws or regulations regarding cannabis in the U.S.

Unfavorable Publicity or Consumer Perception

The legal cannabis industry in the United States is at an early stage of its development. Cannabis has been,

and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding cannabis in general or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medical and adult- use 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 adult-use 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). The Company's ability to gain and increase market acceptance of its proposed investment business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on the Company.

Legalization of Recreational Cannabis

Extensive controls and regulations of the cannabis industry may significantly affect the financial condition of market participants, and prevent the realization of such market participants of any benefits from an expanded market for recreational cannabis products.

Uncertainty of Cannabis Industry

The Company operates its business in a relatively new industry and market. In addition to being subject to general business risks, the Company must continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry and market could have a material adverse effect on the Company's business, financial conditions and results of operations.

Difficulties in Quantifying Cannabis Industry

Because the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly follows market research.

Consolidation in Cannabis Industry

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of

which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditor is SHIM & Associates LLP, ("**SHIM**"), at its office located at Suite 970-777 Hornby Street, Vancouver BC V6Z 1S4. SHIM is independent of the Company in accordance with the Rules of Professional Conduct of Chartered Professional Accountants of British Columbia.

One of the Company's former auditors is MNP LLP, Chartered Professional Accountants ("**MNP**"), at its office located at 1155, boul. René-Lévesque O 23e étage, Montréal, QC H3B 2K2. MNP is independent of the Company in accordance with the Code of Ethics of Chartered Professional Accountants of Québec.

The Company's other former auditor is Adam Sung Kim Ltd., Chartered Professional Accountant, of Unit #168 4300 North Fraser Way, Burnaby, BC V5J 5J8. Adam Sung Kim Ltd., Chartered Professional Accountant, as auditor of the amended and restated December 31, 2019 financial statements of the Company, report that they are independent of the Company in accordance with the Rules of Professional Conduct of Chartered Professional Accountants of British Columbia.

The registrar and transfer agent for the Common Shares is National Securities Administrators Ltd. at its principal office in Vancouver, British Columbia.

The Warrant Agent in respect of the Warrants is National Securities Administrators Ltd. at its principal office in Vancouver, British Columbia.

LEGAL MATTERS AND INTERESTS OF EXPERTS

The matters referred to under "Eligibility for Investment" and certain other legal matters relating to the Offering will be passed upon by Miller Thomson LLP on behalf of the Company, and on behalf of the Underwriter by Bennett Jones LLP.

As of the date of this Prospectus (i) the partners and associates of Miller Thomson LLP beneficially owns, directly or indirectly, less than 1% of the issued and outstanding securities of the Company or of any associate or affiliate of the Company; and (ii) the partners and associates of Bennett Jones LLP beneficially own, directly or indirectly, less than 1% of the issued and outstanding securities of the Company or of any associate or affiliate of the Company.

The auditors of the Company, SHIM & Associates LLP, have advised they are independent of the Company in accordance with the rules of professional conduct applicable to auditors in British Columbia. Adam Sung Kim Ltd. is the former auditor of the Company and reported on the Company's amended and restated December 31, 2019 financial statements, have advised they are independent of the Company in accordance with the rules of professional conduct applicable to auditors in British Columbia. The other former auditor of the Company, MNP LLP, have advised they are independent of the Company in accordance with the rules of professional conduct applicable to auditors in Québec.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the

purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

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

CERTIFICATE OF MYDECINE INNOVATIONS GROUP INC.

Dated: February 8, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all the applicable provinces of Canada, other than Québec.

(Signed) "*David Joshua Bartch*"	(Signed) "*Dean Ditto*"
David Joshua Bartch	Dean Ditto
Chief Executive Officer	Chief Financial Officer

On Behalf of the Board of Directors

(Signed) "*Damon Michaels*"	(Signed) "*Robert Roscow*"
Damon Michaels	Robert Roscow
Director	Director

CERTIFICATE OF THE UNDERWRITER

Dated: February 8, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all the applicable provinces of Canada, other than Québec.

CANACCORD GENUITY CORP.

By: (Signed) "*Graham Saunders*"
Graham Saunders
Head of Capital Markets Origination