MYDECINE INNOVATIONS GROUP INC.
(FORMERLY NEWLEAF BRANDS INC.)

MANAGEMENT DISCUSSION AND ANALYSIS

PERIOD ENDED MARCH 31, 2021 AND 2020

(Expressed in Canadian dollars)

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended March, 2021, compared to the three month ended March 31, 2020. This report prepared as at May 17, 2021 intends to complement and supplement our consolidated financial statements (the "financial statements") as at March 31, 2021 and should be read in conjunction with the financial statements and the accompanying notes. Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Mydecine", we mean Mydecine Innovations Group Inc. and/or its subsidiaries, as it may apply.

Additional information, including news releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and is available under the Company's profile at www.sedar.com or the Company's website https://www.mydecine.com/

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our real estate holdings, among others, including those identified in the Risk Factors section. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions.

Readers are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to

- *Fluctuations in the fair market value of land;*
- *Demand for CBD products and cannabis related derivatives;*
- *Expected number of users of CBD products and CBD related derivatives in the United States;*
- *Product sales expectations and corresponding forecasted increases in revenues;*
- *Successful marketing and promotion of We are Kured's lifestyle brand and products;*
- *The Company's expectations regarding the adoption and impact of certain accounting pronouncement's;*
- *The availability of financing needed to complete the Company's planned improvements on commercially reasonable terms;*
- *Federal status that may contradict local and state legislation respecting legalized marijuana;*
- *The Company's expectations with respect to the Company's future financial and operating performance;*
- *The Company's expectations with respect to future performance, results and terms of strategic initiatives, strategic agreements and supply agreements.*
- *The Company's expectation on receiving regulatory approval to use psilocybin; and,*
- *Federal status that may contradict local and state legislation respecting the legal status of psilocybin;*

These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf except as may be required by securities laws.

BACKGROUND

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 Farm Inc. on April 10, 2014, 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 listed its common shares on the Canadian Securities Exchange ("CSE") and began trading under the symbol "MYCO" on June 1, 2020. On March 23, 2021, the Company delisted from the CSE and migrated to the NEO Exchange under the ticker symbols "MYCO" and "MYCO.WT." The Company is also quoted on the Frankfurt Exchange under the symbol "MYCOF" and on the OTC under the symbol "0NFA."

The Company's business is the development of products in the Naturally Sourced Therapies space. The Company also controls a variety of hemp-derived CBD brands that design, manufacture and distribute products. As well, the Company has a portfolio that includes a rental property and land assets. The Company is conducting research and development on therapeutic drugs that include psilocybin as an active ingredient and has begun exploring opportunities into mycology related products.

EXECUTIVE HIGHLIGHTS

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

On August 28, 2020, the Company appointed Damon Michaels, Mydecine's current Chief Operations Officer, to the Company's board of directors.

On October 16, 2020, the Company announced the appointment of Bousted Capital Market LLP to initiate the process of dual listing on London Stock Exchange to admit Company's common shares for trade in the main market.

On November 17, 2020, the Company announced the appointment of Dr. Rakesh Jetly as Chief Medical Officer.

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.

STRATEGIC PLANNING

On January 22, 2020, the Company was included in the Psychedelics Exchanged Traded Fund (ETF). This EFT includes 17 companies in both US and Canada under ticker PSYK on Neo Exchange. This makes a legal industry to invest and trade in cutting edge companies like Mydecine.

January 27, 2020, the Company filed an application to list its common shares on NASDAQ stock exchange which is the second largest exchange by market capitalization. Application is subject to NASDAQ approvals and it will continue to trade on CSE and OTC.

On March 10, 2021, the Company announced plans to spin out its U.S. cannabis and CBD assets to a newly created entity. Upon completion of the spin out, the Company's principal business will focus on the development and commercialization of solutions for treating mental health problems through its psilocybin research and development and it will no longer be involved in the manufacturing or sale of cannabis and CBD products.

BOUGHT-DEAL FINANCING

On March 31, 2021, the Company completed a bought-deal financing and issued 34,500,000 Units for gross proceeds of $17,250,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.70 per Warrant Share for a period of 36 months. The Company paid share issuance cost of $1,917,096, issued 862,500 Finance Fee Units ("Finance Unit") and 2,415,000 Broker Warrants ("Broker Warrant").

SUBSEQUENT EVENTS

Subsequent to March 31, 2021, the Company issued 1,194,350 common shares pursuant to warrant exercises for gross proceeds of $109,718.

NATURE AND EXTENT OF INVOLVEMENT IN PSILOCYBIN

The Company is researching and developing a number of mushroom and fungal products, and the Company is producing psilocybin with the help of Applied Pharmaceutical Innovation (API), which is contracted by and working under the Company's direction. The Company does not have any commercial brands or products, other than used in research, that include psilocybin. The Company is looking into the various medicinal molecules found in functional mushrooms such as Reishi, Lions Mane and Cordyceps and others.

The Company's plans include formulating, manufacturing, and distributing various functional mushroom products including but not limited to extracted mushroom infused ready-to-drink beverages, mushroom extract proprietary formulated tinctures, mushroom extract powders, mushroom extract infused coffee and mushroom extract infused chocolate.

The Company is currently conducting its psilocybin research in Canada at the University of Alberta as well the Company has a number of planned sites internationally including Leiden University Medical Center, The University of Ottawa and The Imperial College of London.

On May 5, 2020, the Company announced the establishment of a research division agreement with Applied Pharmaceutical Innovation ("API"), a translational commercial drug development institute hosted in the University of Alberta's Faculty of Pharmacy and Pharmaceutical Sciences. Through the agreement, Mydecine has the ability to immediately commence fungal discovery investigations with varietal mushrooms and their extracts, including scheduled substances. Research and development is commencing with a significant program to extract, analyze, and determine the effects of various compounds from fungi and their pharmacokinetic disposition and development of dosage forms for specific indications, providing Mydecine with an extensive assets and capacity to become a leader in the space. The end goal is developing products with clinical applications over a period of three years.

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

On December 11, 2020, the Company made first legal import of psilocybin mushrooms to Canada based to its access to Health Canada dealer's license schedule 1. This import is aimed to have psilocybin mushrooms extracted and synthesized into final product for controlled research purposes.

MYDECINE OPERATIONS

1220611 B.C. Ltd. (d.b.a Mydecine Group)

On April 30, 2020, the Company acquired 100% of 1220611 B.C. Ltd. dba Mydecine Group ("Mydecine") by issuing 17,000,000 common shares to shareholders of Mydecine and 1,360,000 common shares to an arm's length finder. Mydecine is a vertically integrated Company engaged to utilize medicinal, health and wellness capabilities found in mushroom and fungi. The Company intends to complete research and development, as well as cultivate and process compounds found in mushroom and fungi.

Trellis Holdings Oregon, LLC.

On May 5, 2020, the Company acquired 37.5% of the issued and outstanding share capital of Trellis Holdings Oregon Op LLC ("Trellis"). Trellis has operated since 2015 and operates in the medical and recreational cannabis markets in the U.S. Trellis maintains an 11-acre recreational cultivation property in southern Oregon and operates a medical and recreational cannabis dispensary in Portland, Oregon. The Company issued 28,000,000 common shares with a fair value of $4,160,240, based on a level 1 input. At December 31, 2020, the Company held 37,500 units of Trellis, representing an ownership of 37.5%. The Company provides strategic funding and advice to Trellis.

MYDECINE OPERATIONS (CONTINUED)

Alt Distribution Company, LLC (Formerly, Levee Street Holdings, LLC)

On April 27, 2020, the Company acquired 50% of Alternative Distribution Company LLC (formerly Levee Street Holdings LLC) ("Alternative Distribution") via a share swap agreement ("Share Swap Agreement") and issued 4,500,000 common shares with a fair value of $395,010, based on a level 1 input. Alternative Distribution operates in Texas, U.S. and is a distributor of alternative products, including CBD products. The Company provides strategic funding and direction to Alternative Distribution.

Mindleap Health Inc.

On August 20, 2020, the Company acquired 100% of MindLeap Health Inc. ("MindLeap"), a Canadian based technology Company developing an advanced digital health platform that will provide mental health services and digital programs.

Pursuant to the terms of the arrangement, the Company issued 6,363,636 common shares of the Company and will provide $1,000,000 in working capital to support software development initiatives.

On July 21, 2020, Mindleap signed an agreement with Brightmind ("Brightmind") to launch a comprehensive meditation program on Mindleap's advanced digital health platform. Under the terms of the agreement Brightmind will provide specialized meditation content to Mindleap and Mindleap will make that content available for purchase on the platform.

On August 4, 2020, MindLeap announced that it was expanding its digital therapeutic offerings by adding three additional programs to its platform.

On September 17, 2020, MindLeap announced that it has implemented a comprehensive information security rollout of next-generation cyber-security solutions to meet HIPAA compliance standards.

On September 30, 2020, MindLeap officially launched its digital telehealth mobile application for mental coaching and wellbeing.

On February 17, 2021, the Company filed a provisional patent for its technology (digital health platform & telemedicine application) platform in both The United States Patent and Trademark Office (USPTO) and the Canadian Intellectual Property Office.

NeuroPharm Inc.

On August 28, 2020, the Company acquired NeuroPharm Inc. ("NeuroPharm"), a developer of natural health, psychedelic based treatments for Post Traumatic Stress Disorder ("PTSD") and other serious mental health disorders in veterans and frontline workers.

Pursuant to the terms of the arrangement, the Company issued 9,000,000 common shares with a fair value of $4,860,000 that are subject to certain escrow conditions. A total of 4,244,121 of the payment shares are subject to a 24-month lock-up, whereby one-quarter of the payment shares are free trading every six month.

Pursuant to the terms of the agreement with NeuroPharm, the Company is obligated to issue additional common shares ("Anti-Dilution Securities"). Each Anti-Dilution Securities is exercisable to acquire common shares on the Release Dates, for no additional consideration, in the event the volume-weighted average closing price of the Company's common shares on the NEO Exchange ("NEO") in the 20 trading days prior to the NeuroPharm Release Dates is less than $0.70. This contingent consideration was accounted for as a derivative liability and revalued at period end. As at August 28, 2020 and December 31, 2020, the Company's estimate of the fair value of the anti-dilutive securities was $679,059 and $1,416,475, respectively. On September 12, 2020, pursuant to the NeuroPharm Anti-Dilution Securities clause, the Company issued additional 1,426,764 common shares and the Company reclassified $1,299,441 from reserve to share capital.

MYDECINE OPERATIONS (CONTINUED)

NeuroPharm Inc. (continued)

The Company issued 10,000,000 performance warrants ("Performance Warrants'), which shall vest in tranches upon achievement of certain clinical trial and patent application milestones. Each Performance Warrant upon vesting will be exercisable into one common share at a price per share equal to a 20% discount to the market price. As at December 31, 2020, 4,600,000 Performance Warrants (relating to the filing of patent applications) have vested.

On July 14, 2020, NeuroPharm, entered into a collaborative relationship with Leiden University Medical Center of The Netherlands ("LUMC") for the initiation of clinical trials. The project, "NeuroPharm Veteran PTSD Research Project (NVPRP)," is preparing an IRB-ready protocol to be used for a LUMC based clinical trial for the specific treatment of PTSD in veterans.

On August 13, 2020, the Company announced that NeuroPharm was recently covered in Forbes for its ground-breaking psilocybin clinical trials for treatment of PTSD.

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

The provisional patent application covers, among other things, an enhancer that reduces the enzymatic breakdown of psilocin, the active ingredient in psilocybin that causes psychedelic effects. This may result in an enhanced psychedelic experience in the treatment of PTSD, whether by extended in time, intensity, intensity per dose, or a combination thereof.

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

Investment Property

From time to time, the Company seeks for value- added real estate investments. These acquired properties are assets in which the Company hopes to be able to earn positive cash flows, by offering them for rent, and to gain appreciation on in their respective markets. In August 2018, the Company acquired 1175987 B.C. Ltd. ("Oregon Properties") to further develop and grow its business. 1175987 B.C. Ltd. was later amalgamated with the Company's wholly owned subsidiary, 1176392 B.C. Ltd. Through the acquisition of the Oregon Properties, the Company acquired 11.1 acres of land, divided into two legal plots, located at Cave Junction, Oregon.

On August 9, 2019, the Company signed a letter of intent (the "LOI"), with no date of expiration, to acquire approximately 400 acres of property located in Pottus, Texas, with the intent for a large-scale hemp farm. The purchase price of the property is US $1,300,000 and the Company has provided a non-refundable deposit of $66,170 (US $50,000). As at December 31, 2020, the Company has not closed this LOI.

OTHER CBD RELATED BUSINESSES

We are Kured ("Kured")

During the year ended December 31, 2019 and year ended December 31, 2020, Kured was actively promoting the brand through attendance at trade shows, presentations and marketing outreach. The Company is now working with various distributors and marketers to gain market share. Kured believes that as it launches the next generation pen, it will cement relationships with retailers, marketers, and distributors that will lead to increased sales and Kured will begin to see positive margins in future quarters. In addition to the vape pens, Kured has been actively developing its product lines and the Company will report on these as information becomes available. On August 22, 2019, the Company announced that Kured will be offering new 500MG Gem Pod (the "Gem Pod") in addition to the Company's current product offering to capitalize on the recent craze of the Gem Pods in the tobacco space. The Company is looking to provide a healthier derivative of the product and will be available in a 1-unit packet and a 3-unit packet that will be distributed in the United States. On April 9, 2020, Kured announced the launch of its new CBD flower pre-rolled joints. The CBD flower used is grown naturally with no chemical herbicides, pesticides or synthetic fertilizers. These 1.0-1.2 gram joints are vegan, 3rd party lab tested and are available in 6 terpene infused flavor profiles. The flavor profiles include Pineapple Express, Blueberry Cookies, Strawberry Diesel, OG Kush, Charlotte's Web and Mango.

Drink Fresh Water, LLC

On September 25, 2018, the Company signed a definitive agreement with Drink Fresh Water LLC. ("DFW"), a CBD infused beverage Company. DFW further augments the Company's vision of creating a lifestyle brand using CBD products and other cannabis derivatives. DFW was established in California by a group of industry leaders and is known for their flagship product, a CBD infused, nano amplified alkaline water that is in over 100 unique retail stores. The Company intends to provide its marketing and distribution expertise to create shareholder value.

BUSINESS DEVELOPMENTS

Acquisition of 1220611 B.C. Ltd. d/b/a Mydecine Innovation Group Inc.

On April 30, 2020, the Company acquired 100% of 1220611 B.C. Ltd. (d/b/a Mydecine Innovation Group Inc.) ("Mydecine"), a Colorado headquartered Company. Mydecine is an arm's length research and development Company in the mushroom and fungi industry. The Company issued 17,000,000 common shares of the Company with fair value of $2,210,000 and 1,360,000 finders shares with fair value of $176,800, based on level 1 inputs.

The acquisition of Mydecine does not constitute a business combination because these entities do not meet the definition of a business under IFRS 3 - Business Combination. As a result, under IFRS, the transaction has been measured at the fair value of equity consideration issued to acquire these entities. The purchase price was determined based on IFRS 2 – *Share Based Payments*.

Purchase price	$
17,000,000 common shares	2,210,000
1,360,000 finders' common shares	176,800
Consideration paid in excess of net assets acquired	2,386,800

Mydecine was in the early stage of development. As such, the remaining unidentifiable asset did not meet the intangible asset criteria for capitalization. Accordingly, the Company expensed $2,386,800 in the Statement of Loss and Comprehensive Loss.

BUSINESS DEVELOPMENTS (CONTINUED)

Rationale for acquisition:

The acquisition of Mydecine provides the Company with opportunity to diversify into the field of mycology and complement the offering of CBD products.

Acquisition of Alternative Distribution, LLC (Formerly, Levee Street Holdings, LLC)

On April 27, 2020, the Company acquired 50% of Levee Street Holdings, LLC ("Levee") via a Share Swap Agreement. Levee opens a key distribution channel throughout the United States. Greg Kassanoff, is the founder of Pioneer Wine & Spirits, LLC and CEO of Mexicor Pioneer Wine & Spirits, owns the remaining 50% of Levee. Through this venture, the Company's intends to capitalize on existing business relationships and distribution channels within the United States to distribute its products. Pursuant to the terms of the arrangement, the Company issued 4,500,000 common shares.

The distribution agreement did not meet the intangible asset criteria for capitalization. Accordingly, the purchase price was expensed as a distribution expense in the statement of loss and comprehensive loss.

Acquisition of MindLeap Health Inc.

On June 16, 2020, the Company entered into a Share Exchange Agreement ("MindLeap SEA") to acquire 100% of MindLeap Health Inc. ("MindLeap"). MindLeap is an arm's length Canadian-based healthcare Company that is developing a digital telehealth platform ("Telehealth Platform"). MindLeap's Telehealth Platform complements the Company's business plan as a mental health provider to its users. The MindLeap SEA closed on August 19, 2021 ("Acquisition Date").

As consideration, the Company agreed to issue 6,363,636 common shares, contingent anti-dilution securities, and certain milestone share-based payments (Collectively, "MindLeap Consideration"). The terms of the MindLeap Consideration are described below:

a) As consideration, the Company issued 6,363,636 common shares with a fair value of $2,513,636 that are subject to certain escrow conditions.

   As at December 31, 2020, there are 3,785,010 common shares held in escrow and will be released pursuant to the following schedule ("MindLeap Release Dates"):

12 months from the MindLeap Closing Date	¼ of escrowed securities
18 months from the MindLeap Closing Date	¼ of escrowed securities
24 months from the MindLeap Closing Date	¼ of escrowed securities

b) Pursuant to the terms of the agreement with MindLeap, the Company is obligated to issue additional common shares ("MindLeap Anti-Dilution Securities") subject to certain conditions. Each MindLeap Anti-Dilution Security is exercisable to acquire common shares on the MindLeap Release Dates, for no additional consideration, in the event the volume-weighted average closing price of the Company's common shares on the NEO Exchange in the 20 trading days prior to the MindLeap Release Dates is less than $0.55. This contingent consideration was accounted for as a derivative liability and revalued at period end. As at August 19, 2020 and December 31, 2020, the Company's estimate of the fair value of the anti-dilutive securities was $2,131,938 and $1,586,744, respectively.

BUSINESS DEVELOPMENTS (CONTINUED)

Acquisition of MindLeap Health Inc. (continued)

c) The Company entered into a definitive bonus share agreement ("Bonus Share") providing for the issuance of up to an additional 9,750,000 common shares to designated officers, employees, and consultants of MindLeap upon the achievement of the following milestones ("Milestones"):

- 500,000 common shares if MindLeap signs 100 revenue generating clinic partners by the end of 2021;
- 250,000 common shares if MindLeap generates $250,000 in revenue for 2020;
- 1,000,000 common shares if MindLeap signs up 1,000 specialists that are also actually engaged and paid subscribers generating revenue by 2021;
- 3,000,000 common shares if MindLeap generates $5,000,000 in revenue in 2021; and
- 5,000,000 common shares if MindLeap generates $10,000,000 in revenue in 2021.

As at the Closing Date and December 31, 2020, the fair value of the Bonus Shares was $Nil as the probability of meeting the Milestones was low.

The acquisition of MindLeap constituted a business combination because this entity met the definition of a business under IFRS 3 - Business Combination.

Purchase price:	$
6,363,636 common shares	2,513,636
MindLeap – Anti-Dilution Securities	2,131,938
Settlement of loan	-
Total consideration paid	4,645,574
Cash	92,267
Taxes receivable	7,622
Intangible asset – software platform	172,898
Accounts payable	(24,290)
Loan liabilities	(350,000)
Net liabilities assumed	(101,503)
Goodwill	4,747,077
Total	4,645,574

The Company determined that MindLeap's platform design, content and business objectives were synergistic with the Company's business plans and objectives. Goodwill consists of an assembled workforce, cost synergies and future economic potential of MindLeap.

Loan liabilities include $250,000 that relates to a working capital loan issued to MindLeap as per the conditions set in the MindLeap SEA.

Rationale for acquisition:

MindLeap's digital health platform provides the Company the ability to diversify into the digital health space and provide health services that will complement the Company's other product offerings. Although the platform was in the development phase when acquired, the Company anticipates attracting a robust user base, and revenues, in the near term from customers seeking self-help and assisted therapy. The Company expects additional growth when the platform is incorporated into Mydecine's clinical trials and later when used as part of approved psychedelic-based therapies.

BUSINESS DEVELOPMENTS (CONTINUED)

Acquisition of NeuroPharm Inc.

On July 14, 2020, the Company entered into a Share Exchange Agreement ("NeuroPharm SEA") to acquire 100% of NeuroPharm Inc. ("NeuroPharm"). NeuroPharm is an arm's length Canadian-based healthcare company that is conducting research and development of certain therapies for veterans, emergency medical service providers, and front-line personnel. The NeuroPharm SEA closed on August 28, 2020 ("NeuroPharm Closing Date").

As consideration, the Company agreed to issue 9,000,000 common shares, contingent anti-dilution securities, and 10,000,000 performance warrants (Collectively, "NeuroPharm Consideration"). The terms of the NeuroPharm Consideration are described below:

a) The Company issued 9,000,000 common shares on August 28, 2020 ("NeuroPharm Closing Date") with a fair value of $4,860,000 that are subject to certain escrow conditions.

b) Pursuant to the terms of the NeuroPharm SEA, the Company is obligated to issue additional common shares ("NeuroPharm Anti-Dilution Securities"). Each NeuroPharm Anti-Dilution Security is exercisable to acquire common shares on the NeuroPharm Release Dates, for no additional consideration, in the event the volume-weighted average closing price of the Company's common shares on the Canadian Securities Exchange ("CSE") in the 20 trading days prior to the NeuroPharm Release Dates is less than $0.70. This contingent consideration was accounted for as an equity instrument under IFRS 2 – Share Based Payment and was recorded at fair value at the date of acquisition. As at August 28, 2020, the Company's estimate of the fair value of the anti-dilutive securities was $2,752,572. On September 12, 2020, pursuant to the NeuroPharm Anti-Dilution Securities clause, the Company issued additional 1,426,764 common shares and the Company reclassified $1,299,441 from reserve to share capital.

c) Pursuant to the terms of the NeuroPharm SEA, the Company issued 10,000,000 performance warrants ("Performance Warrants") that vest as follows:
   - 900,000 Performance Warrants will vest upon each successful completion of a clinical trial designed to study psilocybin in Veterans, up to a maximum vesting of 5,400,000 Performance warrants; and,
   - 920,000 Performance Warrants will vest upon each filing by NeuroPharm of a patent application in Canada and/or the United States, subject to the acceptance of the application by the regulatory authority to a maximum vesting of 4,600,000 Performance Warrants (Vested).

   As at December 31, 2020, 4,600,000 Performance Warrants (relating to the filing of patent applications) have vested. Each Performance Warrant expires five years from the date of issuance and is exercisable at a 20% discount to the Company's stock price on the NEO.

The Performance Warrants were accounted for as an equity instrument under IFRS 2 – Share Based Payments and recorded at fair value at acquisition. As at August 28, 2020, the fair value of the Performance Warrants $980,640.

The acquisition of NeuroPharm does not constitute a business combination because this entity does not meet the definition of a business under IFRS 3 – Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire these entities. The fair value of the consideration paid was determined based on the fair value of the assets received as determined based on IFRS 2 – Share Based Payments.

BUSINESS DEVELOPMENTS (CONTINUED)

Acquisition of NeuroPharm Inc. (continued)

Purchase price:	$
9,000,000 common shares	4,860,000
NeuroPharm – Anti-Dilution Securities	2,752,572
Performance Warrants	980,640
Total consideration paid	8,593,212
Cash	411,458
Liabilities assumed	(76,684)
Net assets assumed	334,773
Consideration paid in excess of unidentifiable assets	8,258,439
	8,593,212

NeuroPharm was in the early stage of developing technologies to treat various mental health conditions targeting the treatment of disorders such as PTSD, depression, addiction, anxiety, and panic disorders as well as migraine and cluster headaches. At the time of acquisition, the Company was conducting research and was in the processes of drafting provisional patents related to psilocybin which did not meet the definition of intangible assets. As such, the remaining unidentifiable assets in the amount of $8,258,439 were expensed in the Consolidated Statement of Loss and Comprehensive Loss.

Rationale for acquisition:

NeuroPharm was in the early stage of developing technologies to treat various mental health conditions targeting the treatment of disorders such as PTSD, depression, addiction, anxiety, and panic disorders as well as migraine and cluster headaches. NeuroPharm's acquisition let the Company to diversify into the mental health treatment space and provide health services that will allow Company to cater its mission.

FINANCINGS

On March 31, 2021, the Company completed a bought-deal financing and issued 34,500,000 Units for gross proceeds of $17,250,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.70 per Warrant Share for a period of 36 months. The Company paid share issuance cost of $1,917,096, issued 862,500 Finance Fee Units ("Finance Unit") and 2,415,000 Broker Warrants ("Broker Warrant"). Each Finance Unit consists of one common share and one share purchase warrant ("Finance Warrant"). Each Finance Warrant is exercisable to acquire one additional common share at any time until February 12, 2024, at an exercise price of $0.70 per warrant. The fair value of the Finance Warrant was measured at $288,960. The Finance Warrant were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.58; exercise price - $0.70; expected life - 3 years; volatility – 100%; dividend yield - Nil; and risk-free rate – 0.17%. Each Broker Warrant is exercisable to acquire one additional common share at any time until February 12, 2024, at an exercise price of $0.50 per warrant. The fair value of the Broker Warrants was measured at $900,302. The finder warrants were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.58; exercise price - $0.50; expected life - 3 years; volatility – 100%; dividend yield - Nil; and risk-free rate – 0.17%.

The Company intended use for the above financings is finance operations and continue to build the Companies core competencies in research and development.

FINANCINGS (CONTINUED)

Convertible Debenture

On October 16, 2020, the Company completed a non-brokered private placement of secured convertible debentures notes for gross proceeds of $4,700,000 ("Convertible Debenture"). Each Convertible Debenture has a maturity date of twelve months from the closing date, bears interest at 10% per annum and is convertible into Units at $0.20 per Unit. Each Unit consists of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable into one additional common share at a price of $0.30 for a period of 24 months from the issuance date of the warrant.

During the period ended March 31, 2021, the Company issued common share 13,795,350 pursuant to the conversion of convertible debt of $2,583,141. The Company transferred $219,583 from equity component of convertible debt to share capital.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there are no proposed transactions.

SELECTED QUARTERLY INFORMATION

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	Three months ended			
	March 31, 2021	December 31, 2020	September 30, 2020 (restated)	June 30, 2020 (restated)
Total revenue	$ (16,012)	$ (126,616)	$ 62,451	$ 70,197
Expenses	5,165,591	3,764,333	5,351,154	2,253,727
Total assets	22,499,276	9,531,131	9,440,773	7,603,680
Total liabilities	3,038,722	5,970,432	5,037,338	564,571
Net loss	(5,156,523)	(9,556,427)	(13,678,244)	(3,521,908)
Net loss per share, basic and diluted	(0.03)	(0.07)	(0.08)	(0.03)

	Three months ended			
	March 31, 2020 (restated)	December 31, 2019 (restated)	September 30, 2019 (restated)	June 30, 2019 (restated)
Total revenue	$ 52,458	$ 77,011	$ 85,445	$ 85,654
Expenses	241,949	718,694	906,386	390,049
Total assets	2,013,090	2,059,743	20,249,474	2,728,695
Total liabilities	320,422	231,298	77,675	145,215
Net loss	(192,366)	(18,678,640)	(840,596)	(365,811)
Net loss per share, basic and diluted	(0.01)	(0.41)	(0.04)	(0.05)

Fluctuation in assets are mostly due to cash from financing activities and the acquisition of certain businesses and assets during a specific quarter. The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the availability of funding from investors or collaboration partners. Total revenues decreased in Q4 2020 relative from the comparative quarters due the re-allocation of certain rental income to the Company's equity associate.

SELECTED QUARTERLY INFORMATION (CONTINUED)

Expenses during Q4 2020 grew relative to the comparative period due the acquisition of certain businesses that led to an increase in the consideration paid in excess of net assets acquired of $10,645,239. In addition, during Q4, 2020, the Company recorded a revaluation of its derivative liability, totaling $545,194 and impairment of certain intangible assets and good. In addition, the Company finalized its purchase price allocation for its business combination with Mindleap, which led to an overall change in the net assets acquired.

CONSOLIDATED RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of results conform to IFRS standards.

For the three-month period ended,	**March 31, 2021**	March 30, 2020
Sales	**16,012**	4,575
Cost of goods sold	**(10,128)**	(2,875)
Gross margin	**5,884**	1,700
Expenses		
Finance cost	**95,737**	248
Corporate development	**1,998,027**	4,978
Amortization	**41,532**	27,428
Consulting fees	**1,023,921**	4,270
Director and management fees	**490,876**	117,617
Foreign exchange loss	**222,375**	(127,964)
Office and miscellaneous	**84,220**	13,813
Share of losses from investment in Joint Venture	**2,783**	-
Share of losses from investment in Associate	**157,219**	-
Professional fees	**653,055**	25,474
Regulatory and filing fees	**165,636**	2,057
Research and development	**230,210**	-
Share-based payments	**-**	174,028
Total expenses	**(5,165,591)**	(241,949)
Other income (expense)		
Change in fair value of derivative liabilities	**(27,656)**	-
Rental income	**33,159**	47,883
Loss on settlement of debt	**(2,319)**	-
	3,184	47,883
Net loss for the period	**(5,156,523)**	(192,366)

RESULTS OF OPERATIONS - EXPENSES

For the period ended March 31, 2021 and 2020

The Company recorded net loss of $5,156,523 compared to a net loss of $192,366 for the corresponding period in 2020. Some of the significant charges to operations are as follows:

The Company incurred corporate development expense in the amount of $1,998,027 (2020 - $4,978) as the Company completed marketing campaigns to raise awareness and branding of Company as the Company solidifies its position within the psychedelic space.

The Company incurred consulting expenses of $1,023,921 (2020 - $4,270), the increase in expenditure is due to the Company's increased use of consultants to structure financing deals as well as to consult on strategic acquisitions that occurred during period. Consulting expenses were lower during the comparative period as there were no acquisitions made.

Foreign exchange loss of $222,375 (2020 – gain of $127,964) is due to the weakening US dollar during the period ended March 31, 2021. The Company's parent Company is denominated in Canadian whereas the US subsidiaries are denominated in the US dollar, resulting in fluctuations in foreign exchange.

Director fees of $490,876 (2020 - $117,617) is attributed to changes in key management personnel and the cost to hire industry experts.

Share of losses from investment in Joint Venture of $2,783 recorded (2020 - $nil) due to the Company's investment in Alternative Distribution Company LLC. Share of losses from investment in Associate of $157,219 recorded (2020 - $nil) relates to the Company's 37.5% investment in Trellis Holdings, LLC.

Share based payments decreased to $nil from $174,028 as the Company did not issue any stock options during Q1, 2021.

During the period ended March 31, 2021, the Company issued 92,654 common shares with a fair value of $45,400 to settle debt of $43,081 and recorded a loss on settlement of debt of $2,319.

Professional fees increased to $653,055 from $25,474, as the Company engaged various legal and accounting professionals to assist with the listing process to the London Stock Exchange and Nasdaq.

LIQUIDITY

The Company is focused on the emerging psychedelic medicines market, real estate and CBD business. As of the date of this MD&A, the Company has received minimal revenues to date and may have incidental interest income it may earn on funds invested in short-term deposits. As a result, its ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so.

The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately, the attainment of profitable operations and positive cash flows. The Company's loans, lease payments and debt covenants are in good standing as of the date of this MD&A.

At March 31, 2021, the Company's working capital is $12,518,909 (December 31, 2020 – working capital deficiency of $3,307,867) and cash of $11,324,999 (December 31, 2020 - $2,190,412).

LIQUIDITY (CONTINUED)

The Company's subsidiaries have not yet generated any significant income but revenues are expected to increase over time. This will contribute to the Company's overall liquidity and the Company intends to use income from operations to satisfy long term liquidity needs. Until these subsidiaries generate significant revenue, their ability to assist the Company by providing increased liquidity is very limited.

The research and development, real estate and CBD business is risky and dependent on many factors. There is certain stigmatism to psychedelics, cannabis, cannabis derivatives and cannabis is federally illegal in the United States. Revenue from operations consisted of $16,012 (2020 - $4,575) from the sale of pens and vaporizers. This revenue will contribute to the Company's liquidity and the Company intends to collect rent to alleviate some of the liquidity issues. However, if the Company is unable to develop its brand successfully, revenues will be limited. There is no assurance that the Company will successfully grow its brand.

LIQUIDITY AND CAPITAL RESOURCES – CASH FLOW

OPERATING ACTIVITIES

Cash used in operating activities for the period ended March 31, 2021 was $8,722,121 as compared to $1,581 in the comparative 2020 period. Relative to the comparative period, the Company entered into the psychedelic space and as a result, hired various consultants and incurred costs. These costs did not exist in the comparative period. In addition, the Company incurred various legal, accounting and consulting costs in the normal course of operations.

INVESTING ACTIVITES

Equipment purchases made during the period amount to $132,874 (2020 - $ Nil). Cash used to generate internally generated intangible asset for $155,617 as compared to $nil in the comparative period of 2020. Lease payments incurred $28,486 during the period ended March 31, 2021 where in comparative period in 2020 it was $ Nil.

FINANCING ACTIVITIES

Cash provided from financing activities for the three-month ended March 31, 2021 was $18,173,432 (2020 - $ Nil). Proceeds from bought deal, net of share issuance cost during the period was $15,332,904 (2020 -$ Nil). During the three month ended March 31, 2021, the Company raised $2,840,528 from (2020 - $ Nil) from warrants exercised.

CAPITAL RESOURCES

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities which include administrative costs and general expenditures. In the management of capital, the Company includes cash and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Historically, funding for the Company's plan is primarily managed through the issuance of additional common shares, through its commercial activities and through obtaining financing. There are no assurances that funds will be made available to the Company when required. In order to carry out the planned development and pay for administrative costs, the Company will spend its existing working capital and expects to raise additional amounts as needed. The Company will continue to assess new business and seek to acquire an interest in additional business if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

LIQUIDITY AND CAPITAL RESOURCES – CASH FLOW (CONTINUED)

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and all are held in major Canadian financial institutions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three-month ended March 31, 2021. The Company is not subject to externally imposed capital requirements.

TRANSACTIONS WITH RELATED PARTIES

The Directors and Executive Officers of the Company are as follows:

Joshua Bartch	CEO, Interim CFO and Director
Damon Michaels	COO
Jim Gunning	Chief Marketing Officer
Dr. Rakesh Jetly	Chief Medical Officer
Rob Roscow	Chief Science Officer
Erik Knutson	Director

The Company incurred the following related party transactions, with associated persons or corporations, which were measured at the exchange amount as follows:

Key management includes directors, executive officers and officers which constitutes the management team. The Company paid or accrued compensation in form of consulting fees to companies controlled by directors, executive officers and officers as follows:

Management Compensation Period Ended March 31, 2021	$
Director and management fees paid to the CFO of the Company	56,255
Director and management fees paid to a former director of the Company	97,422
Director and management fees paid to the CEO of the Company	98,700
Management fees paid to the chief operations officer	60,019
Management fees paid to other officers of the Company	144,377
Total	456,773

Management Compensation period ended March 31, 2020	$
Director, management and legal fees paid to a director of the Company	30,165
Director and management fees paid to Benjamin Martch, CEO of WAK	30,245
Director and management fees paid to Joshua Bartch, CEO Of the Company	30,244
Total	90,654

The Company has a rent receivable of $45,351 (December 31, 2020 - $27,746) from Trellis as at March 31, 2021 and during the period ended March 31, 2021, the Company recorded rental income from Trellis for $33,159 (2019 - $47,883).

The Company has an account receivable of $9,593 (December 31, 2020 - $Nil) from Alt Distribution as at March 31, 2021 and during the period ended March 31, 2021, the Company recorded sales revenue from Alt Distribution for $$14,722 (December 31, 2020 - $Nil).

TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

On May 5, 2020, the Company acquired 37.5% of Trellis from two related parties of the Company. There are no ongoing contractual or other commitments resulting from the transaction. Joshua Bartch, CEO received 25,000,000 common shares and Benjamin Martch, the former Chief Marketing Officer, received 3,000,000 common shares of the Company in exchange for the investment.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2021, the Company had no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

Issued and Outstanding:

As of the date of this MD&A the Company has 237,377,678 common shares, 14,243,157 stock options and 71,640,547 warrants outstanding.

CONTINGENCIES

There is no other contingency outstanding as of date of this discussion.

RISKS AND UNCERTAINTIES

Selling vaporizers in the United States

Selling vaporizers in the United States can involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the demand for vaporizers is wide spread and can result in substantial reward, marketing will be a significant influencer in development of the Company. The Company is creating a lifestyle brand around the Company and is significantly influenced by how the Company appears in the market place. Significant expenses may be required to establish the lifestyle brand to be accepted in the market place.

Psilocybin industry

Psilocybin is currently a Schedule I drug under the Controlled Drugs and Substances Act (CDSA) and it is a criminal offence to possess substances under the CDSA without a prescription and Health Canada has not approved psilocybin and psilocin as drugs. Any activities such as sale, possession, production, etc. of the substance is prohibited unless authorized for clinical trial or research purposes under section 56 of the CDSA. Health Canada can grant exemptions under section 56 of the CDSA to use controlled substances if it is deemed to be necessary for a medical or scientific purpose or is otherwise in the public interest. Health Canada must also approve the clinical trials.

Any delays of the Company in obtaining, or failure to obtain regulatory approvals from Health Canada to commence or continue clinical testing would significantly delay the development of the Company's markets and products and could have a material adverse effect on its business, results of operations and financial condition.

RISKS AND UNCERTAINTIES (CONTINUED)

Government Regulation

In addition to various trade organizations that the Company will be subject to, the consumer agriculture and food warehousing / processing industry is subject to various federal, and provincial laws and regulations on, standards, claims, safety, efficacy and other matters from regulatory bodies such as Canadian Food Inspection Agency **(**CFIA**),** BC FoodSafe Program and the department of Health Protection in Fraser Health. Regulatory approvals by government agencies on the Company's facilities may be withheld or not granted at all and if granted may be subject to recalls which would materially affect the Company.

Although the Company's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, production, manufacture, product claims, marketing or commercialization. Amendments to current laws and regulations governing operations and activities of the consumer health industry or more stringent implementation thereof could have a substantial adverse impact on the Company.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the Company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

RISKS AND UNCERTAINTIES (CONTINUED)

Licenses, Patents and Proprietary Rights

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Risks Related as a Going Concern

At March 31, 2021, the Company had not yet achieved profitable operations, has accumulated losses of $32,073,687 since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Although the Company presently has sufficient financial resources to undertake its currently planned business and has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the Company's business as compared with those of its competitors depends on its acceptance by potential users and the consumer community. Market acceptance will largely depend on the reputation of the Company, its marketing strategy, consumer acceptance and the Company's services and performance. The Company's success will depend on its ability to commercialize and expand its network users. The Company will need to expand its marketing and sales operations and establish business relations with suppliers and users in a timely manner. In order to meet its business objectives, the Company will have to ensure that its facilities and services are safe, reliable and cost-effective, and bring the expected return. There can be no assurance that the Company's facilities and services will be accepted and recommended.

Competition, Technological Obsolescence

The agriculture and food warehousing / processing industries are competitive. Others in the field may have significantly more financial, technical, distribution and marketing resources. Technological progress and product development may cause the Company's services and facilities offerings to become obsolete or may reduce their market acceptance.

Operating History and Expected Losses

The Company expects to make significant investments in order to develop its services, increase marketing efforts, improve its operations, conduct research and development and update its equipment. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

RISKS AND UNCERTAINTIES (CONTINUED)

Reliance on Joint Ventures, License Assignors and Other Parties

The nature of the Company's operations requires it to enter into various agreements with partners, joint venture partners, other agriculture and food warehousing / processing facilities, and equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of its businesses and the successful marketing of its services.

There is no guarantee that those with whom the Company needs to deal will not adopt other technologies or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the Company's competitors, in preference to those of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Potential Liability

The Company is subject to the risk of potential liability claims with respect to its agriculture and food warehousing / processing facilities. Should such claims be successful, plaintiffs could be awarded significant amounts of damages, which could exceed the limits of any liability insurance policies that may be held by the Company. There is no guarantee that the Company will be able to obtain, maintain in effect or increase any such insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide the Company with adequate protection against potential liability.

Disclosure Regarding the Company's Proposed Research into the United States Psilocybin Industry

Legal risks

All drugs on the CDSA schedules require a prescription. It is a criminal offence to possess substances scheduled under the CDSA without a prescription.

Under the CDSA, person who is in possession of a substance under Schedule III without a prescription is liable to:

(i) a maximum of three years imprisonment if found guilty of an indictable offence; or
(ii) a maximum $1000 fine for the first offence and/or a maximum 6-month term of imprisonment, increasing to a maximum fine of $2000 for each subsequent offense and/or a maximum of 1 year in prison if found guilty of a summary conviction offence.

A person who produces or is in possession of a substance under Schedule III for the purpose of trafficking, or exportation is liable to:

(i) a maximum of ten years imprisonment if found guilty of an indictable offence; or
(ii) a maximum 18 months' imprisonment if found guilty of a summary conviction offence.

RISKS AND UNCERTAINTIES (CONTINUED)

Psilocybin industry

Canada

Psilocybin is currently a Schedule III drug under the Controlled Drugs and Substances Act (CDSA) and it is a criminal offence to possess substances under the CDSA without a prescription and Health Canada has not approved psilocybin and psilocin as drugs. Any activities such as sale, possession, production, etc. of the substance is prohibited unless authorized for clinical trial or research purposes under section 56 of the CDSA. Health Canada can grant exemptions under section 56 of the CDSA to use controlled substances if it is deemed to be necessary for a medical or scientific purpose or is otherwise in the public interest. Health Canada must also approve the clinical trials.

Any delays of the Company in obtaining, or failure to obtain regulatory approvals from Health Canada to commence or continue clinical testing would significantly delay the development of the Company's markets and products and could have a material adverse effect on its business, results of operations and financial condition.

USA

Psilocybin is currently a Schedule I drug under the Controlled Substances Act (CSA) which list Schedule I substances as those that have the following findings:

A. The drug or other substance has a high potential for abuse.
B. The drug or other substance has no currently accepted medical use in treatment in the United States.
C. There is a lack of accepted safety for use of the drug or other substance under medical supervision.

No prescriptions may be written for Schedule I substances, and such substances are subject to production quotas which the DEA imposes.

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.

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Research into the United States Psilocybin Industry (Continued)

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 legalized 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.

RISKS AND UNCERTAINTIES (CONTINUED)

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

Through the acquisition of WAK, the Company will have 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. 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.

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (continued)

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 Department of Justice 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 of 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-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.

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (continued)

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.

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 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.

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (continued)

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 Clearing and Depository Services Inc. ("**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 Common 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 affect 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

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (continued)

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 as 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.

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.

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (continued)

Unfavorable Publicity or Consumer Perception (Continued)

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.

Risks Related to Intellectual Property

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds.

There is no assurance that our pending patent applications or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (continued)

Research Delays

We cannot predict whether any clinical trials will begin as planned or will be completed on schedule, or at all. Significant clinical trial delays could allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to: failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold; patients failing to enroll or remain in our trials at the rate we expect; product candidates demonstrating a lack of safety or efficacy during clinical trials; patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials; patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons; reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns; competing clinical trials and scheduling conflicts with participating clinicians; clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner; inspections of clinical trial sites by regulatory bodies or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study; one or more regulatory bodies or ethics committees rejecting, suspending, or terminating the study at an investigational site, precluding enrolment of additional subjects, or withdrawing its approval of the trial; or failure to reach agreement on acceptable terms with prospective clinical trial sites.

Commercialization

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada or any similar regulatory authority. To obtain regulatory approvals for our 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. While we have commenced pre-clinical trials, we have not yet completed later stage clinical trials for any of our product candidates.

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. Unsatisfactory results relating to a research and development program may cause us or our 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 favorable outcomes in later-stage clinical trials, and we can make no assurance that any future studies, if undertaken, will yield favorable results.

RISKS AND UNCERTAINTIES (CONTINUED)

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (continued)

Clinical Trial Failure Risk

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct 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 preclinical 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 results. Several 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.

We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our 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 we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the three-month ended March 31, 2021, there has been no significant change in the Company's internal control over financial reporting since last year.

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.