ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

October 8, 2021

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DESCRIPTION **PAGE NO.**

GENERAL MATTERS

In this annual information form ("**AIF**"), unless the context otherwise requires, the "Company" or "Mydecine" refers to Mydecine Innovations Group Inc. Unless otherwise indicated, information in the AIF is provided as of December 31, 2020.

This AIF applies to the business activities and operations of the Company for the year ended December 31, 2020. Unless otherwise indicated, the information in this AIF is given as of the date hereof.

Unless otherwise indicated, all references to "$" in this AIF refer to Canadian dollars.

This AIF should be read in conjunction with the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020. The financial statements and management's discussion and analysis are available under the Company's profile on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

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

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

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

Important risk factors that could cause the Company's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: speculative nature of investment risk; history of operating loss; limited operating history; negative operating cash flow; going-concern risk; changes in public tastes, availability of materials, consumer perceptions and preferences, brand awareness and dependency on third party suppliers, distributors and retailers; dependency on key personnel; product liability and recall; intellectual property risks; research and development; product obsolescence; anticipated growth may not materialize; dilution; unissued share capital; liquidity and future financing risk; and market risk for securities. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this AIF. See "*Risk Factors*".

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

GLOSSARY OF TERMS

"**BCSC**" means the British Columbia Securities Commission;

"**Board**" means the board of directors of Mydecine;

"**CBD**" means cannabidiol;

"**CCO**" means chief compliance officer;

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

"**CMO**" means chief marketing officer;

"**CSA**" means the Title 21 United States Code (USC) *Controlled Substances Act*;

"**CSE**" means the Canadian Securities Exchange;

"**CSO**" means chief scientific officer;

"**DEA**" means the Drug Enforcement Administration;

"**FinCEN**" means the U.S. Department of Agriculture;

"**Fresh Water**" means Drink Fresh Water LLC;

"**Levee Street**" means Levee Street Holdings, LLC

"**Kured**" means We are Kured, LLC;

"**M&A**" means mergers and acquisitions;

"**Mydecine**" or the "**Company**" means Mydecine Innovations Group Inc.;

"**Mydecine Group**" means 1220611 B.C. Ltd. operating as Mydecine Group;

"**LOI**" means a letter of intent;

"**NI 52-110**" means *National Instrument 52-110 – Audit Committees*;

"**NEO**" means Aequitas NEO Exchange Inc.

"**Options**" means incentive stock options to purchase Shares of Mydecine;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Shares**" means the common shares in the capital of Mydecine;

"**SKU**" means a stock keeping unit;

"**Spinco**" means ALT House Cannabis Inc.

"**Spin-out Arrangement**" means the plan of arrangement under the *Business Corporations Act (British Columbia)* pursuant to which Mydecine completed the Spin-out.

"**Spin-out**" means the spin-out of the Company's U.S. Cannabis Assets into Spinco pursuant to the Spin-out Arrangement which was completed on October 1, 2021.

"**Option Plan**" means the 10% rolling stock option plan of Mydecine;

"**R&D**" means research and development;

"**ReLyfe**" means ReLyfe Brand, LLC;

"**TeaLief**" means TeaLief Brand, LLC;

"**THC**" means tetrahydrocannabinol;

"**Trellis**" means Trellis Holdings Oregon Op LLC;

"**TSXV**" means the TSX Venture Exchange;

"**Units**" means a unit of Mydecine;

"**U.S.**" means the United States of America;

"**U.S. Cannabis Assets**" means all of the shares held by the Company in the following subsidiaries: 1176392 BC Ltd.; Alternative Distribution Company, LLC; Drink Fresh Water, LLC; New Age Farm Washington, LLC; Tealief Brands, LLC; Relyfe Brands, LLC; We are Kured, LLC; Trellis Holdings Oregon OP, LLC.

"**USDA**" means the U.S. Department of Agriculture;

"**Warrants**" means Share purchase warrants of Mydecine;

CORPORATE STRUCTURE

Name, Address and Incorporation

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

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

The Company trades on the NEO under the symbol "MYCO" for its common shares and under the symbol "MYCO.WT" for its warrants. The Company also trades on the OTC Pink Sheets under the symbol "MYCOF" and the Frankfurt Stock Exchange under the symbol "ONFA".

Intercorporate Relationships

The following chart illustrates, as at the date of this AIF, the Company's material subsidiaries, the percentage of voting securities of each that are held by Mydecine either directly or indirectly, and their respective jurisdictions of incorporation, continuance, formation or organization.

Subsidiary Name	Ownership by Mydecine	Jurisdiction of Incorporation
1220611 B.C. Ltd.	100%	British Columbia
NeuroPharm Inc.	100%	Canada
Mindleap Health Inc.	100%	British Columbia

*The above table illustrates the Company's material subsidiaries after giving effect to the Spin-out.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Year Ended December 31, 2018

On January 8, 2018, the Company announced that Kured has entered into the production stage. Kured has selected and executed its first production order with Native Hemp Corporation ("**NHC**") for an initial order of 5,000 vape pens. Kured and NHC have worked collaboratively to complete the design of the vape pens to meet Kured's branding, budget, delivery and compliance requirements and objectives. NHC will supply all labour, equipment and services at its facilities to produce the hemp-based vaporizer pens in a ready-to-use form, completing the production of finished product within 45 days of order and initial payment. NHC will also be responsible for the design of templates and sizing for label printing requirements and will warehouse and distribute/ship the finished product to be sold through Kured's online sales platform at www.wearekured.com. In addition, NHC will apply stringent QA/QC controls including the completion of testing in compliance with state and local laws by a third-party testing facility to show consistency and accuracy. Kured has placed an initial order for 5,000 fully loaded, disposable vape pens in three variations: Sunshine (Sativa blend), Moonlight

(Indica blend) and Anytime (hybrid blend). Kured has made the initial payment for this order and expects to have product in hand, ready for sale next month.

On January 19, 2018, the Company announced that Kured has signed a sales agreement with full service sales agency, The GoodFellas Group, LLC ("**Goodfellas**"). Goodfellas, based in Santa Ana, CA specializes in building sales, growth and market Share in the marketplace. The Goodfellas team anticipates successfully placing Kured's initial product in over 100 stores nationwide throughout the coming months.

On February 28, 2018, the Company announced that the first order of 5,000 CBD pens has arrived at Kured's Denver, Colorado facility. Kured's production team has begun filling each pen with 250mg of the high quality, Terpene infused, CBD oil. Each vape pen is infused with one of three specific terpene flavour profiles. The three variations are Moonlight, an Indica blend infused with OG Kush Terpenes; Daylight, a Sativa blend infused with Pineapple Express Terpenes; and Allday, a Hybrid blend infused with Strawberry Diesel Terpenes.

On March 19, 2018, the Company announced that Kured has officially launched its new web site at http://wearekured.com. After a brief test period, Kured has launched a fully operational retail website where its first product, an ergonomically designed hemp-based vaporizer pen in a ready-to-use form, is available for purchase online.

On April 30, 2018, the Company provided an update pertaining to its agreement for the Moses Lake Agri-campus. The Moses Lake JV partner no longer wishes to proceed with the project under the existing terms and wishes to terminate the agreement. The Company and its JV partner are in the process of negotiating a mutual agreement settlement to allow for an orderly termination. If, after attempting to come to an amicable settlement, the Company's management is of the opinion that a mutually agreeable settlement is not possible, the Company will pursue whatever avenues it requires to recover the funds and any other losses it has sustained in this matter.

On May 22, 2018, the Company announced that Benjamin Martch, CEO of Kured has agreed to join the Board. Mr. Martch will also be taking on the role of Interim CEO of the Company following the resignation of Mr. Carman Parente from the role. Mr. Parente will remain on the Board and continue in his role as President of the Company.

On June 18, 2018, the Company announced additional changes to the leadership team are in progress. Three of the current directors of the Company will be stepping down as new directors take their places. David A. Johnson, C. Lorraine Pike and Anthony Chan will resign to allow new directors to step in. David Joshua Bartch and Eric Knutson will be added to the Board.

On June 29, 2018, the Company introduced David Joshua Bartch as the Company's new CEO. The Company also announced Erik Knutson as the newest member of the Board. Additionally, Mr. Ben Martch, interim CEO will be reappointed to CMO. Mr. Martch will continue as CEO of Kured.

On August 7, 2018, the Company announced that its website has been redesigned along with a new logo to give the Company a fresh brand identity. In Addition, the Company announced the appointment of Michael Connolly as CCO and to the Company's Board.

On August 27, 2018, the Company announced that Kured has received their CBD infused oil analytics. Analytical testing showed that Kured's oil contained a 48% CBD consistency.

On August 29, 2018, the Company announce that it has acquired two cash flowing marijuana properties in the state of Oregon. The Company will be acting as landlord of the Cave Junction and Portland properties, renting the properties for a total monthly revenue of $20,000 USD. Following an appraisal done by a SouderHouse LLC to generate the property value, the Company acquired the properties by way of a three-corner amalgamation, pursuant to which the Company acquired 100% of the issued and outstanding common shares of 1175987 B.C. Ltd. and assumed all of its assets, namely the properties. As consideration for the properties, the Company issued a total of 73,164,000 Shares to three independent Shareholders of 1175987 B.C. Ltd. (representing approximately 22.80% of issued and outstanding Shares) and paid a finder's fee of 3,658,200 Shares to an arm's-length party.

On August 31, 2018, the Company announced that Kured has placed an order for a state-of-the-art Thompson Duke Industrial MCF1 filling machine. The MCF1 dispensing machine is expected to increase in-house production capacity.

On September 12, 2018, the Company announce that it has entered into an LOI dated September 11, 2018 to acquire up to 37.5% of Trellis Holdings Oregon Op LLC. Trellis operates on one of the legal plots of the Company's Cave Junction, Oregon property and holds an OLCC licence for the cultivation of 40,000 square feet of recreational cannabis. Trellis has plans to expand the cultivation to inhabit the second legal plot on the Cave Junction property and add an additional 40,000 square feet of canopy. In addition, Trellis operates a licensed retail store at the Company's Portland, Oregon property.

On September 13, 2018, the Company announce that Kured has expanded into South America by launching "Kured Latin America LLC" and electing a managing director to spearhead the new expansion. In connection with the expansion, the Company has appointed Mr. Yves Yon as managing director of Kured Latin America LLC.

On September 18, 2018, the Company announced that Kured LLC has developed a proprietary 100% plant derived oil for their new vaporizer pen. The new formulation consists of a proprietary blend of hemp derived phytocannabinioids, terpenes, flavonoids and other organic terpenes provided by Eybna. Additionally, the Company has launched its 3rd generation of CCell technology vaporizer pen. The Company also announced that it has granted an aggregate of 3,059,919 Options to certain directors and officers of the Company in accordance with the Company's current Option Plan. Each Option is exercisable into one Share at a price of $0.115 per Share for a period of five years from the date of grant.

On September 21, 2018, the Company announced a newly established partnership between Kured and with Canadian based fulfillment group INTERfulfillment (https://interfulfillment.com/). The Kured team has made the decision to partner with a Canadian fulfillment center to streamline the increasing volume of Canadian orders.

On September 24, 2018, the Company announced that it has signed an LOI dated September 20, 2018 to fully acquire Drink Fresh Water LLC, a CBD infused beverage company. Fresh Water, a California based CBD beverage company offers its flagship product "Fresh Water" which is a hemp derived CBD infused, nano amplified purified alkaline water. Fresh Water's products can be found in over 100 retail stores across the nation and are additionally available for online purchase.

On September 26, 2018, the Company announced that it has signed a definitive agreement dated September 25, 2018 to acquire 100% of Fresh Water. Pursuant to the agreement, consideration for the acquisition will be USD$1,275,000, with USD$75,000 payable in cash and USD$1,200,000 being issuable in Shares. The day to day operations of Fresh Water will

continue to be operated by the Fresh Water team while the back-end operations will transition over to the Company's team. Additionally, the Company will take over marketing of the company as well as immediately inject it into the current established distribution lines through Kured.

On October 1, 2018, the Company's wholly owned subsidiary, Kured officially announced their Gen 3 pen will come with 500 mg of their CBD oil with no extra charge to their respected customers. The team at Kured has decided to upgrade from the current 300mg disposable to 500mg vape pen due to the increase in battery life and user reviews. Kured's terpene infused custom CBD oil officially tests at 40% + CBD, and will continue as their manufacturing is now executed at the corporate office located in Denver, CO.

On October 4, 2018, the Company announced that Fresh Water, the flagship product of the Company's newly acquired wholly owned subsidiary Fresh Water, can be found in retail stores in 35 states across the nation.

On October 10, 2018, the Company announced that Kured has signed a definitive agreement with Gratus Living, LLC ("**Gratus**"), an online Amazon retailer. Kured will be entering a "white label" agreement with Gratus for the sale of Kured's new 500mg vaporizer pens on amazon.com. The new white label brand will not be under the Kured name to ensure this opportunity has no effect on the ever increasing popularity of Kured CBD.

On October 12, 2018, the Company announced a retail focused collaboration with Integrated Cannabis Company, Inc. ("**Integrated Cannabis**"), to deliver CBD education and innovative CBD products to the Colorado market. Integrated Cannabis, with their CBD lifestyle brand X-SPRAYSTM, and the Company with their CBD lifestyle brands Kured and Fresh Water, will be teaming up to sell their CBD products in pop-up stores in Denver.

On October 15, 2018, the Company announced that Kured has received its first order from its Latin American subsidiary and has successfully shipped out the order of their new 500mg disposable vaporizer pens. Additionally, numerous retailers have expressed interest in the Company's Fresh Water CBD product. Arrangements are being made for shipment of this product into South America as well.

On October 17, 2018, the Company announced that it has begun development of a proprietary beverage flavoring line to accompany its expanding CBD infused water Fresh Water CBD. The new line will operate under the brand "Taste CBD". This line will include a number of flavors that are currently being developed and analyzed.

On October 31, 2018, the Company announced that Kured has sold through the entirety of the original shipment of their 500mg disposable vaporizer pens to its South American subsidiary. Additionally, Kured has successfully shipped its second batch to South America and expects that its subsidiary should move through the product shipment quickly.

On November 2, 2018, the Company announced that it has launched a new website to cater to its growing Latin American branch. The website http://www.kured.cl is a fully translated, version that is specifically tailored to help showcase the product line to both consumers as well as potential retailers throughout the Latin American region. The website also has a fully functional ecommerce platform allowing consumers in the region to order directly through the platform. Additionally, the Company has included a new presentation on the website detailing the full product lines specifics.

On November 14, 2018, the Company announced that Fresh Water has sold out of its current inventory and has placed a subsequent order.

On November 16, 2018, the Company announced that Fresh Water has entered into an agreement with the world's first Cannabis museum "Cannabition" which is located on the Las Vegas Strip in Las Vegas, Nevada. Visitors are not allowed to consume Cannabis while on-site, however they can purchase various amount of CBD products, including Fresh Water, the Company's hemp derived CBD nano amplified alkaline water.

On November 21, 2018, the Company announced that Kured's CBD vaporizer pens will be featured at the first Native Roots Wellness store. The store is Native Roots' first foray into the hemp-derived CBD industry and located in the heart of downtown Denver. The team selected to feature all three of KURED's CBD renowned vaporizer pens, which are available in the following flavors: OG Kush, Strawberry Diesel and Pineapple Express.

On November 28, 2018, the Company announced that Kured and Fresh Water have teamed up with Integrated Cannabis Company their X-SPRAYSTM product line, a novel CBD spray delivery system, to bring CBD concept to the Colorado X Games. Kured, Fresh Water and X-SPRAYSTM are approved to sell their products to consumers over the age of 18+ out of the Bootsy Bellows event center in the heart of Aspen, Colorado. This "pop-up" retail store will be utilized to sell Kured, Fresh Water and X-SPRAYSTM products.

On December 3, 2018, the Company announced that it has entered into a "Drop Ship" agreement with The Grown Depot with respect to Kured and Fresh Water. Under the terms of the agreement, The Grown Depot will sell the Company's products through their website (www.TheGrownDepot.com) while the Company will facilitate the shipment of orders through their Denver, Colorado warehouse.

On December 12, 2018, the Company announced that its sales team has hit a milestone by securing an order of Fresh Water CBD product with Colorado's largest liquor store, Argonaut Liquors, located on Colfax in downtown Denver.

On December 19, 2018, the Company announced that Kured's Pineapple Express vape pen is the top selling vape pen at the Native Roots Wellness CBD store in Denver, Colorado.

Year Ended December 31, 2019

On January 8, 2019, the Company announced that Kured plans to launch a new vape option for their broad spectrum 48% CBD oil. The new 500mg cartridge will include the industry standard 5/10 thread to be compatible with most vape batteries on the market. The cartridge will include the Strawberry Diesel, Pineapple Express and OG Kush oil options, and will retail for $29.50.

On January 14, 2019, the Company announced that Kured has signed an agreement with MassRoots, Inc. ("**MassRoots**"), a leading technology and rewards platform, to serve as the online retailer of the Company's CBD vaporizer pen.

On February 12, 2019, the Company announced that, following the success of Kured in South America, Kured has expanded into Europe by launching Kured International, LLC. Kured CBD vape pens will be offered in CBD stores throughout Paris, France. After introducing Kured's disposable vape pen to some of Paris's CBD store owners and distributors, the Kured team feels that the European market will soon become a focus for distribution.

On February 25, 2019, the Company announced that Kured has officially become the first CBD only company to be featured on the nationwide cannabis platform, LeafLink. LeafLink is a

platform for cannabis brands, distributors, and retailers who want to streamline the ordering process, simplify communication, and spend less time on busy work.

On March 6, 2019, the Company announced that Kured has officially moved into Paris, France's CBD market. Kured's CBD vape pens will be offered at one of the largest chains with eight stores throughout France. In addition, Kured is offering a 500mg CBD 5/10 thread cartridge in all three CBD flavors. This CBD cartridge will fit the industry standard 5/10 thread batteries and will give the consumer as much vaping ability at a lower cost than their disposable pens.

On March 8, 2019, the Company announced that Kured is to launch the industry's first disposable vape pen equipped with a micro USB port.

On April 1, 2019, the Company announced that it has consolidated all of its issued and outstanding share capital on the basis of one (1) post-consolidation Share for each forty-five (45) pre-consolidation Shares.

On April 12, 2019, the Company announced that it has changed its name to NewLeaf Brands Inc. In connection with the name change, the Company's trading symbol on the CSE will be changed to "NLB".

On May 22, 2019, the Company announced that FINRA has approved a change in the Company's stock symbol on the OTC Markets. Effective May 23, 2019, the Company's Shares will begin trading on the OTC Markets under the symbol "NLBIF". The previous trading symbol was "NWGFF".

On June 5, 2019, the Company announced that it has granted Options to purchase up to 583,553 Shares of the Company pursuant to its Option Plan. The Options were granted to various directors and officers of the Company. Each option is exercisable for a period of five years at an exercise price of $0.54 per Share, subject to regulatory regulations.

On June 20, 2019, the Company announced that it has extinguished its debt to certain creditors in the amount of $1,794,427.65 by way of the issuance of an aggregate of 4,916,240 Shares (the "**Debt Shares**"). The issuance of the Debt Shares was a result of the creditors exercising their right to convert debt into Shares at an attributed price equal $0.365, being the closing price of a Share on the date of conversion pursuant to the convertible note instruments, as amended, that were issued by the Company in favour of the creditors, dated June 8, 2018.

On June 24, 2019, the Company announced that it has entered into a binding LOI with ReLyfe Brand, LLC. Under the terms of the LOI, the Company will acquire 100% of the issued and outstanding common shares of ReLyfe. In consideration for the acquisition, the Company will pay to ReLyfe an aggregate amount of $3,000,000 USD in the form of Shares. The Share price is to be set on the closing price as of the date of signing of the LOI.

On June 24, 2019, the Company announced that it has entered into a binding LOI with TeaLief Brand, LLC. Under the terms of the LOI, the Company will acquire 100% of the issued and outstanding common shares of TeaLief. In consideration for the acquisition, the Company will pay to TeaLief an aggregate amount of $3,000,000 USD in the form of Shares. The Share price is to be set on the closing price as of the date of signing of the LOI.

On July 8, 2019, the Company announced that it has entered into an exclusive distribution agreement with Best Strains, LLC ("**Best Strains**") based out of Tennessee, USA. Under the terms of the agreement, the Company will have the rights for distribution of the Kured

disposable vape pens, vape cartridges and Fresh Water to convenient stores, liquor stores, novelty/tourist retailers, and other big box retailers throughout Tennessee.

On July 12, 2019, Kured announced that it will be releasing two new flavors of the 500mg disposable vape pens as well as the 500mg 5/10 thread cartridges. Kured has chosen to introduce a mango flavored pen which will come in yellow, and a watermelon flavored pen which will come in pink.

On July 23, 2019, Kured announced that the company plans to launch the Veteran Pen ("**Veteran Pen**") as well as introduce a Veteran charity program. The Veteran Pen, a mint flavored pen which will come in a camouflage color scheme and will be added to the expanding Kured product offerings. These 500mg disposable pen will come equipped with a micro USB and the oil will be infused with Eybna's mint terpenes.

On July 25, 2019, the Company announced the closing of the first tranche (the "**First Tranche**") of non-brokered private placement financing. Under the First Tranche, the Company has issued 1,005,737 Shares at an issue price of $0.305 per Share, for aggregate gross proceeds of up to CDN$306,750. The Company is paying a finder's fee which will be issued as 50,287 Shares to an arm's length party in connection with the closing of this First Tranche.

On August 1, 2019, the Company announced the closing of the second tranche (the "Second Tranche") of a non-brokered private placement. Under the Second Tranche, the Company has issued 1,148,843 Shares at an issue price of $0.305 per Share, for aggregate gross proceeds of up to $350,397.00. The Company is paying a finder's fee which will be issued as 32,850 Shares to an arm's length party in connection with the closing of this Second Tranche.

On August 13, 2019, the Company announced that it has signed a share purchase agreement (an "**SPA**") with CBD gel capsule company, ReLyfe (the "**ReLyfe Agreement**"). Pursuant to the terms of the ReLyfe Agreement, the Company will acquire 100% of the issued and outstanding shares of ReLyfe (the "**ReLyfe Acquisition**"). In consideration for the ReLyfe Acquisition, the Company will pay to ReLyfe an aggregate amount of $3,000,000 USD in the form of Shares. The Issuer will pay a finder's fee of 843,319 Shares to an arm's length party in connection with the closing of the ReLyfe Acquisition. The Company further announced that it has signed an SPA with CBD tea company TeaLief (the "**TeaLief Agreement**"). Pursuant to the terms of the TeaLief Agreement, the Company will acquire 100% of the issued and outstanding shares of TeaLief (the "**TeaLief Acquisition**"). In consideration for the TeaLief Acquisition, the Company will pay to TeaLief an aggregate amount of $3,000,000 USD in the form of Shares. The Issuer will pay a finder's fee of 843,319 Shares to an arm's length party in connection with the closing of the TeaLief Acquisition.

On August 19, 2019, the Company announced it has signed an LOI dated August 9, 2019 to acquire approximately 400 acre ranch property located in Pottus, Texas with the intent for a large scale hemp farm. The purchase price of the ranch property is $1,300,000 USD, which includes, among other things: water rights to use adjacent bodies of water, a four bedroom house, a utility barn and farming machinery and equipment. In connection to the LOI, the Company provided a non-refundable deposit in the amount of $50,000 USD.

On August 22, 2019, Kured announce that it will be offering a new 500MG Gem Pod in addition to their disposable vape pen and cartridges. Kured's Gem Pods will fit the industry standard pod battery that all pod consumers already have on hand. The new Gem Pod will be available in a 1 unit packet and a 3 unit packet that will be slated to be sold in gas stations and convenient stores.

On August 26, 2019, the Company announced that it has been working to develop a proprietary line of fully water soluble, CBD and probiotic mixtures. The powder formulas will come in the following three flavored mixtures: blood orange morning mixture infused with a healthy dose of caffeine, exotic berry mid-day mixture containing a proprietary vitamin blast and passion fruit night time mixture containing melatonin. The Company has developed a number of in house product offerings utilizing the proprietary formula. In addition, the company plans to license the formula to product companies worldwide.

On September 5, 2019, Kured signed a white label agreement with Must Haves, LLC ("**Must Haves**") dated September 4, 2019 for their 500mg vape cartridges. Must Haves is an Indiana, USA based CBD distribution company is well-established within the CBD community and has built strong relationships with CBD retailers around the greater Chicago, USA area, and are looking to expand their product offerings and reach.

On September 9, 2019, Kured announced that it has signed a white label agreement with Denver Marketing Co, LLC ("**Denver Marketing**"). Kured and Denver Marketing have worked together to custom design three white labeled pens for the group's one-of-a-kind CBD dispensaries. The three pens will be available in Pineapple Express, Strawberry Diesel and a new terpene profile Blue Dream.

On September 25, 2019, Kured announced that it has signed a second wholesale order with Best Strain. In May 2019, Best Strains signed an agreement with Kured to distribute its products to their already existing retail accounts. The initial CBD purchase order delivered to Best Strains has been completely depleted and a second order was placed.

On September 30, 2019, the Company announced that it has entered into a retail implementation agreement dated August 30, 2019 with New Implementation Program, LLC ("**NIP**"). Pursuant to the terms of the agreement, NIP will provide to the Company distribution services and sale of the Company's CBD branded products to NIP's community of operators, partners, retailers and distributors in the United States. NIP will present and contract its retail locations for the purpose of selling up to three SKUs of the Company's product offerings at each NIP location.

On October 7, 2019, Kured announced that it has successfully manufactured and fulfilled its first large shipment of its white labeled 500mg disposable vaporizer pens for its client, Denver Marketing.

On October 9, 2019, Kured announced that its new CBD oil formulation, which contains high-end CBD distillate, flavorless hemp derived terpenes and flavored terpenes in Pineapple Express, Strawberry Diesel and OG Kush. With the news of the harmful side- effects caused by vaping cutting agents, like MCT, VG, and Vitamin E, Kured has partnered with Floraplex Terpenes, LLC to provide a 100% plant based oil formulation.

On October 15, 2019, Kured announced that it has successfully manufactured and fulfilled its first large white label 510 thread refill cartridge order for Indiana based distribution company, Must Haves.

On October 23, 2019, Kured announced that it has successfully passed an extensive testing of its CBD oil for pesticides, microbial and heavy metals completed by Botanacor Laboratories, a nationally recognized third party testing facility. The test results state that the following microbial were not detected in Kured's CBD oil: aerobic plate count, coliforms, yeast and molds, Escherichia coli (E. coli) and salmonella. There was also zero detection of any pesticides or heavy metals.

On October 28, 2019, the Company, Kured and ReLyfe announced that the Company has entered into an agreement with Herbfluence, Inc. ("**Herbfluence**"). Under the terms of the agreement, Herbfluence has selected two of the Company's CBD branded products to be included in the initial launch of the Herbfluence marketing platform. Herbfluence is an influencer marketplace for the Cannabis Industry.

On October 30, 2019, the Company announced that it has completed the redesign of its CBD bottled water. The CBD bottled water will now be offered in 12oz cans. These cans will decrease overall production costs and keep the CBD more sustainable as light will not be degrading the product through clear plastic bottles. Additionally, Fresh Water has been working with its development team to create a new formulation that increases the per unit dosage from 5MG to 25MG while keeping the same Fresh Water taste.

On November 1, 2019, the Company announced the launch of three new flavor profiles for its disposable vape pens and 510 thread refill cartridges. The new profiles consist of three crafted flavors, available in mango, tangerine and Charlotte's Web. Each flavor has its own colored packaging expressing the product's taste and feel.

On November 9, 2019, Kured announced that it has entered into an LOI with Denver based marijuana infused product license holder, Denver Packaging Company ("**DPAC**"), to enter the Colorado cannabis market. Under the terms of the LOI, DPAC will commit to all licensing, manufacturing and distribution of Kured products and Kured will cover the cost of all goods, as well as provide marketing and sales force and sales management on behalf of DPAC. Further, Kured will introduce a THC version of its flagship 500mg custom disposable vaporizer line that includes the Eybana terpene profiles and subsequent cartridges.

On November 25, 2019, the Company announced that it has entered into an LOI with an arm's length party, Vida Concepts, LLC ("**Vida**") and its wholly-owned subsidiary NXTGEN CBD Supplements, LLC ("**NXTGEN**"), pursuant to which the Company has agreed to acquire 100% of the issued and outstanding share capital of Vida, its products lines and inventory. In consideration for the acquisition, the Company has agreed to the following terms: (i) the issuance of 8,517,308 Shares at a deemed value of $0.39 to the Shareholders of Vida; (ii) make a cash payment of $300,000 USD ($398,610 CAD); and (iii) the Company will enter into an executive employment agreement with Michael Alexander.

On December 9, 2019, the Company, TeaLief, Fresh Water and ReLyfe announced the launch of its products on social media platform Herbfluence.com. After the successful launch of Kured, the Company and Tyler Knight, CEO and founder of Herbfluence decided to feature TeaLief, Drink Fresh and ReLyfe on the Herbfluence platform. Since partnering with Herbfluence, Kured has witnessed an increase of 4.6% of daily traffic to wearekured.com and an 89% return on investment.

On December 10, 2019, the Company announced that it has granted Options to purchase up to 1,990,000 Shares pursuant to its Stock Option Plan. The Options were granted to various directors and officers of the Company. Each option is exercisable for a period of five years at an exercise price of $0.29 per Share, subject to regulatory regulations.

Year Ended December 31, 2020

On February 6, 2020, the Company announced that it has entered into a binding LOI dated February 4, 2020 with Trellis to acquire 37.5% of all of the issued and outstanding Share capital of Trellis from David Joshua Bartch and Benjamin Martch by way of a share exchange.

On February 14, 2020, the Company announced that has entered into three distribution agreements with each of HemPup LLC ("**HemPup**"), Vida and NXTGEN. These agreements brings to completion the Company's CBD product offering and will also include the CBD SKUs for the health-minded consumers and pet-focused consumers. Pursuant to the terms of the agreements, the Company will distribute certain HemPup, Vida and NXTGEN products and provide their expertise in the marketing, business development, product formulation, online advertising and worldwide sales force and in exchange for the services, the suppliers will pay to the Company a commission fee in the amount of 20% of all gross sales arranged by the Company to its contacts and is customers.

On February 19, 2020, the Company announced that is has officially started the development of a new online marketplace named The Hemp Stand. The Hemp Stand's (www.TheHempStand.com) will feature the Company's products and a variety of other hemp/CBD SKUs to include the following: full spectrum distillate, THC Free distillate, isolate, hemp flower, hemp pre-rolls and hemp clothing.

On February 27, 2020, the Company announced that it has developed a new sales and revenue initiative focused on building sales and revenue. The Company's management team is creating sales teams in different marketable states, starting in the State of Colorado, USA. The Colorado, USA initiative started in February 2020 and since its inception has collected numerous new sales leads. The Company has now hired twelve experienced sales representatives with the goal to hit 500 brick and mortar retails locations per week. The new sales representatives have established retail clients in the CBD and or THC space.

On March 3, 2020, the Company announced that it has sold out of their Fresh premium CBD water bottles. The 16.9 fluid ounce bottle contains 5MG of nano-amplified CBD per bottle. The order was placed by Colorado's largest nightclub group.

On March 17, 2020, the Company announced that the Company has cancelled an aggregate of 2,573,553 Options previously held by certain directors and officers of the Company.

On March 31, 2020, the Company announced its partnership with Herbfluence, and OnTheHouse App, LLC in offering free CBD samples to residents in the State of Colorado, USA that have been laid-off from work due to the Coronavirus pandemic. The free sample pack will include three bags of TeaLief's CBD infused tea, a seven day pack of ReLyfe's 25mg CBD soft gels and a free Kured 500MG disposable vape pen, an information package on the benefits of CBD and a list of the Company's various product offerings. The Company is offering up to 50% off on all products through their online store to non-Colorado residents.

On April 7, 2020, the Company announced that it has signed an LOI dated April 6, 2020 to acquire Mydecine Group, a Colorado headquartered company. Mydecine Group is a vertically integrated company engaged to utilize the vast medicinal, health and wellness capabilities of the many compounds found in various strains of mushroom and fungi as a whole. Pursuant to the LOI, the Company will purchase 100% of the issued and outstanding shares in the capital of Mydecine Group for USD $850,000, payable in Shares.

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. The CBD flower is grown on a 100% Organic hemp farm. These joints are manufactured utilizing GMP in a brand new 8,000 Sq. Ft.

automated facility. Kured's CBD flower pre-rolled joints will be sold online and in retail locations starting at $4.99 USD.

On April 22, 2020, the Company announced that it has signed a share swap agreement with Levee Street Holdings, LLC purchase 50% of Levee Street for $450,000 CAD in Shares. Greg Kassanoff founded Levee Street to infiltrate the "alternative" beverage space, which includes CBD products. This share swap agreement with Levee Street will include the distribution of Kured, ReLyfe, TeaLief and Fresh Water products.

On April 30, 2020, the Company announced that it has signed a definitive agreement dated April 29, 2020 to acquire Mydecine. Pursuant to the agreement, the Company will purchase 100% of the issued and outstanding share capital of Mydecine in exchange for 17,000,000 Shares at a deemed value of $0.071 per Share representing, in the aggregate, 30.9% of the issued and outstanding Shares on a non-diluted and partially diluted basis for an aggregate gross proceeds of $1,207,000 CAD ($850,000 USD) (the "**Mydecine Acquisition**"). The Company paid a finder's fee of 1,360,000 Shares at a deemed price of $0.071 per Share to a qualified arms' length third party in connection with the closing of the acquisition. In connection, and as part of the acquisition, 3063625 Nova Scotia Ltd. of Halifax, Nova Scotia will acquire 11,500,000 Shares at a deemed value of $0.071 per Share, representing, in the aggregate, 20.9% of the issued and outstanding Shares on a non-diluted and partially diluted basis.

On May 6, 2020, the Company announced that it has signed a definitive agreement dated May 5, 2020 with Trellis to acquire 37.5% of the issued and outstanding Share capital of Trellis from David Joshua Bartch and Benjamin Martch by way of a Share exchange (the "**Trellis Acquisition**"). Pursuant to the agreement, the Company will purchase 37.5% of the issued and outstanding Share capital of Trellis in exchange for 28,000,000 Shares at a deemed value of $0.106 per Share representing, in the aggregate, 33.20% of the issued and outstanding Shares on a non-diluted and partially diluted basis for an aggregate gross proceeds of $2,968,000 CAD ($2,250,000 USD).

On May 7, 2020, the Company announced that it has closed a non-brokered private placement of up to 52,908,420 Shares at a price of $0.05 per Share for gross proceeds of up to $2,645,421.00. Finder's fees of an aggregate total $76,875.84 cash, 529,034 Shares at a deemed value of $0.05 per Share and 1,183,000 finder's warrants, with each finder's warrant exercisable to purchase one additional Share at a price $0.05 per Share for a period of 12 months from closing have been paid to qualified third parties in connection with the closing of the private placement. The net proceeds from the private placement will be used for general corporate and working capital purposes.

On May 11, 2020, the Company announced that it has appointed Damon Michaels to the position of Chief Operations Officer. Mr. Michaels previously served on the management team of Ebbu, a leading multi-platform cannabinoid research and technology firm based in Colorado. He will transition to overseeing the day to day operations for the Company as well as working to position its mycology segment for optimal future growth.

On May 12, 2020, the Company announced that it has appointed Robert Roscow to the position of Chief Science Officer. Mr. Roscow previously served as the Director Research of Ebbu. After Canopy Growth's acquisition of Ebbu, Mr. Roscow has focused his attention on the thriving medical mushroom space, co-founding Mydecine.

On May 19, 2020, the Company announced that Mydecine is working to build an ecosystem of resources targeted at unlocking the potential of fungi for human wellness. Mydecine also announced the build out of a specialty mycology lab in Denver Colorado. The lab will serve

Mydecine's needs for the study, selection and cultivation of rare fungal products and will incorporate analytical chemistry, molecular biology, next-gen sequencing, and tissue culture. Additionally, work at this lab will both enable and support numerous research partnerships.

On May 21, 2020, the Company announced that it has signed a non-binding LOI with MindLeap Health Inc., dated May 20, 2020, pursuant to which the Company will acquire, by way of share exchange, 100% of all of the issued and outstanding securities of MindLeap, an arm's-length company. MindLeap is an advanced digital health platform that helps people connect with mental health specialists that can empower them to thrive and develop habits for a healthy mind. Pursuant to the LOI, the Company will acquire 100% of the issued and outstanding shares in the capital of MindLeap in exchange for CAD$3,500,000, payable in Shares at a deemed price per Share equal to CAD$0.55, as of the date of signing the LOI. The Company will also advance CAD$500,000 in direct investment into MindLeap upon closing of the transaction and CAD$500,000 before, or on, September 1, 2020.

On May 21, 2020, the Company announced that it has entered into an agreement with Canaccord Genuity Corp. (the "**Agent**") to act as lead agent and sole bookrunner to sell, by way of private placement, on a commercially reasonable efforts basis, up to 6,666,667 Units at a price of C$0.30 per Unit for aggregate gross proceeds of up to C$2,000,000 (the "**Offering**"), subject to receipt of all applicable regulatory approvals. Each Unit will consist of one Share and one half of one Warrant. Each Warrant will entitle the holder to acquire one Share at a price of C$0.50 per Share for a period of 24 months from the date of closing of the offering. If, at any time following the date that is four months and one day from the closing date, the daily volume weighted average trading price of the Shares on the CSE is greater than C$1.00 per Share for the preceding 10 consecutive trading days, the Company will have the right to accelerate the exercise of the Warrants at the exercise price. If the Company exercises its Warrant acceleration right, the new expiry date of the Warrants will be the 30th day following the notice of such exercise.

On June 1, 2020, the Company announced that it has changed its name from NewLeaf Brands Inc. to Mydecine Innovations Group Inc. and its ticker symbol from "NLB" to "MYCO". The Shares began trading on the CSE under the new name and symbol on June 5, 2020. Pursuant to the Company's acquisition of Mydecine Group, the Company's fundamental business continues to be the development of innovative products in the Naturally Sourced Therapies (NST) space, comprised of the hemp, cannabis, and psilocybin markets.

On June 10, 2020, the Company announced it has signed a non-binding LOI dated June 9, 2020 to acquire NeuroPharm Inc., ("**NeuroPharm**") a Canadian-based healthcare company working to deploy the power of nature's medicine for the wellness of veterans, EMS and front line personnel in North America and globally. Mydecine and NeuroPharm will combine to focus on an integrated health and wellness research strategy and the development of products underpinned by therapies to assist veterans with mental health issues. NeuroPharm is focused on developing unique pharmaceutical and natural health products for veteran wellness, with a specific focus on the use of psilocybin. Pursuant to terms of the LOI, the Company will purchase all of the issued and outstanding common shares in the capital of NeuroPharm for $6,000,000, payable in Shares at a deemed price per Share of $0.90.

On June 13, 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. In exchange for these services, Mydecine entered into a two-year commitment and will be paying API a total $1,099,345 in year one and $1,136,249 in year two ending February 1, 2022. Year three and beyond will be a right of first refusal to either party.

On June 17, 2020, the Company announced that it has signed a definitive share exchange agreement with Mindleap for the acquisition of a 100% interest in MindLeap's Digital Telehealth Platform focused on the emerging psychedelics industry. Pursuant to the share exchange agreement, Mydecine will acquire 100% of the issued and outstanding shares of Mindleap in exchange for: (i) 6,363,636 Shares, and (ii) the binding commitment to advance CAD $500,000 in working capital to Mindleap upon closing of the transaction and an additional CAD $500,000 on or before September 1, 2020. Mindleap is focused on making a considerable difference in people's lives by improving access to mental health services and providing more personalized and effective treatments utilizing the latest technology. The Mindleap Platform upon launch will provide:

- Convenient and more affordable access to mental health services
- Psychedelic aftercare, addiction, and holistic wellness services
- On Demand access to mental health programs
- Automated appointment booking and international payments
- Secure and confidential video sessions
- Critical tools for improved outcomes and personalized care
- Easy to use software with fast learning curve for specialists
- Secured encrypted system that is HIPAA and GDPR compliant
- High engagement features and gamification that improve user experience

On June 19, 2020, the Company announced that it has successfully closed its oversubscribed brokered private placement, pursuant to an agency agreement dated June 19, 2020 with the Agent. Pursuant to the Offering, the Company sold an aggregate of 8,000,000 Units for aggregate gross proceeds of CAD$2,400,000. The Company intends to use the net proceeds from the Offering to further its psychedelic medicine research programs in Canada, for investment in its recently acquired Colorado and Oregon-based mushroom and fungi lab facilities, and for general working capital purposes. In consideration of the services by the Agent in connection with the Offering, the Agent received an aggregate cash commission of CAD$124,350 and 345,500 Units (each a "**Compensation Unit**"). Each Compensation Unit is comprised of one Share and one-half of one Warrant. Each Warrant underlying the Compensation Unit is exercisable to acquire one Share for a period of 24 months following the closing date at an exercise price of CAD$0.50 per Share. Additionally, the Agent received 560,000 options to acquire Units (the "**Agent's Unit Options**") exercisable for a period of 24 months from the closing date at an exercise price of CAD$0.30 per Agent's Unit Option. Each Agent's Unit Option entitles the Agent to acquire one Share and one-half of one Warrant, whereby each whole Warrant is exercisable into one Share at CAD$0.50 for a period of 24 months from the closing date, subject to customary adjustments and acceleration as noted above.

On June 23, 2020, the Company announced the addition of two key strategic advisors to the company's Scientific Advisory Committee, Mr. Vince Polito and Mr. Anton Gomez-Escolar. The new members of the science team will provide scientific expertise and corporate strategy support as Mydecine begins its R&D program at its Innovation Center in Denver, Colorado. The

advisory committee will review/monitor/access specific protocols and serve as an advocate for the organization providing technical expertise and collaborating with team members to help shape the direction of the various research programs.

On June 30, 2020, the Company announced that it has added world renowned drug discovery expert Dr. Denton Hoyer to its Scientific Advisory Board. As part of his role with the company, Dr. Hoyer will directly work with Mydecine's CSO Rob Roscow in developing research strategies, computational assessment of drug properties, formulation and pharmacokinetic studies as well as synthetic chemistry of drug substances.

On July 7, 2020, the Company announced that seven-time Nobel Prize-nominated scientist Dr. Malireddy Srinivasulu Reddy will be joining the Mydecine team as a Scientific Advisor. As Scientific Advisor, Dr. Reddy will be responsible for overseeing the Company's 7,500 sq. ft mycology lab in Denver, Colorado and will assist in the development of proprietary therapies using bacteria and rare fungal strains.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On September 25, 2020, the Company granted stock options to certain directors and officers of the Company to purchase up to 8,000,000 Common Shares in the capital of the Company.

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

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

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

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

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

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

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

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

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

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

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

Recent Developments Subsequent to December 31, 2020

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

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

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

On February 3, 2021, the Company announced that Josephine Wu has been appointed to the Company's Board of Directors.

On February 12, 2021, the Company closed a bought deal prospectus offering of units of the Company, in which, pursuant to the offering, the Company issued 34,500,000 units of the Company at a price of C$0.50 (the "**Issue Price**") per Unit for aggregate gross proceeds to the

Company of C$17,250,000, which includes the full exercise of the over-allotment option to purchase 4,500,000 units at the Issue Price.

On February 17, 2021, the Company announced that its subsidiary Mindleap Health, a digital health platform and the world's-first telemedicine application purpose-built for the psychedelic medicine industry, has filed a provisional patent for its technology platform in both The United States Patent and Trademark Office and the Canadian Intellectual Property Office.

On February 24, 2021, the Company announced an exclusive partnership with Applied Pharmaceutical Innovation at the University of Alberta, as well as expanded capabilities that enables support of multiple drug development and clinical trial programs simultaneously. Through this partnership the company currently has the ability to legally cultivate, extract, import, export and commercialize full cGMP pharmaceutical grade natural and synthetic compounds to reciprocal licensed facilities globally.

On March 1, 2021, the Company announced the completion of the world's first international legal export of dried psilocybin mushrooms.

On March 10, 2021, the Company announced that it has entered into an arrangement agreement with Spinco in respect of the Spin-out.

On March 15, 2021, the Company announced that the board of directors of the Company appointed MNP LLP, Chartered Professional Accountants as the Company's new auditor, replacing SHIM & Associates LLP, Chartered Professional Accountants.

On March 16, 2021, the Company announced announced that it has appointed Michel Rudolphie, former CEO and President of Make-A-Wish International and former Novartis Norway CEO, as President of the Company's European Operations. The Company also announced that it has partnered with Principal Investigator Dr. David Erritzoe at Imperial College London ("**ICL**") to conduct leading research in the expanding field of psychedelics, as well as the creation of a novel collaborative psychopharmacology/psychedelic research clinic between ICL and a major mental health NHS Trust in London.

On March 22, 2021, The Company announced the issuance of 206,184 common shares of the Company (the "**Shares**") effective March 11, 2021, at a deemed price of approximately $0.336 per Share for total consideration of $69,212.50, to a service provider as payment for consulting services provided to the Company. The Company entered into a consulting agreement with the service provider on August 31, 2020 in respect of the provision of corporate governance consulting services. The Company also announced that it issued, effective March 17, 2021,83,526 Shares to Jim Gunning, chief marketing officer ("**CMO**") of the Company pursuant to Mr. Gunning's employment agreement for the services of Mr. Gunning as CMO of the Company for the period from September 17, 2020 to February 28, 2021.The Shares were issued at a deemed price of approximately $0.329 each. The total compensation for the period is $27,500.

On March 23, 2021, the Company announced that effective market open on March 23, 2021, its common shares and warrants have been approved for migration to the NEO and will commence trading under ticker symbols "MYCO" and "MYCO.WT," respectively.

On April 7, 2021, the Company announced its four lead novel drug candidates as the Company prepares for its Pre-Investigational New Drug meetings with the FDA and Health Canada. The four initial drug candidates include: MYCO-001 is pure psilocybin from natural fungal sources. Its target uses include mid-to-late stage clinical trials; MYCO-002 is an entactogenic

compound that has been created with the goal of reducing harm and improving the safety profile vs. traditional MDMA; MYCO-003 is a psilocybin-based formula with reduced anxiety potential, with the aim of removing the possibility of "bad trips," even with severely ill patients; MYCO-004 is a patch delivered tryptamine compound. Properties include short duration (~2hours), transdermal, precision dosing and long-term compound stability. The target use is mid-to-late-stage clinical trials, taking advantage of current publicly-available data.

On April 13, 2021, the Company announced that it has begun wide-ranging work to extract and characterize various compounds contained within the fruiting bodies of the dried psilocybin mushrooms. The Company announced that it has found what it believes to be multiple chemical entities not previously characterized within these species before. The Company further announced the beginning of a screening process to test the potential therapeutic effects of these entities against serotonin receptors such as HTR1A, HTR2A, HTR2B, HTR2C as well as a broad range of metabolism and absorption assays.

On May 3, 2021, the Company announced the reporting of its financial results for the full year ended December 31, 2020. The Company also announced the appointment of William Cook as the Interim CEO & Technical Director of MindLeap.

On May 5, 2021, the Company announced a partnership with LeadGen Labs, a custom synthesis and contract research organization, to support the Company's novel psychedelic drug development efforts and increase the number of novel molecules the Company can synthesize concurrently.

On May 18, 2021, the Company announced the reporting of its financial results for first quarter ended March 31, 2021.

On May 25, 2021, the Company announced at it has received approval from Health Canada to significantly expand its cultivation capabilities at the Company's Canadian Current Good Manufacturing Practice facility at Applied Pharmaceutical Innovation. Under the new guidance from Health Canada, the Company will begin construction of expanded cultivation facilities in an effort to scale its supply of pharmaceutical grade psilocybin for both internal clinical research and its industry partners

On June 8, 2021, the Company announced that the Company's R&D team has made groundbreaking advances in psilocybin research with the discovery of over 40 compounds with pharmacological potential in mushrooms. Of these compounds, a large majority appear to have never been reported before and could be vital to the critical effects of naturally-sourced mushrooms on human health and wellbeing as well as synergistic effects with pure psilocybin.

On June 16, 2021, the Company announced the launch of its in-silico drug discovery program in conjunction with researchers at the University of Alberta. Led by top computer-aided drug development expert, Dr. Khaled Barakat, the program is focused on developing artificial intelligence/machine learning (AI/ML) supported drug screenings, including both the ability to build drugs from the receptor up and assess drugs around the receptors of the Company's choosing.

On June 24, 2021, the Company announced that it has selected substance abuse disorder and smoking cessation as the initial target indications for its proprietary psychedelic molecule MYCO-004.

On July 13, 2021, the Company announced that its subsidiary, Mindleap Health, is launching the 2.0 version of its virtual health platform on July 30, 2021, which provides the infrastructure to

support the conscious and trustworthy adoption of psychedelics into the broader categories of mental health and inner wellness.

On July 21, 2021, the Company announced that it has filed a new patent for MDMA-like compounds further expanding its portfolio of novel compounds.

On August 16, 2021, the Company announced the reporting of its financial results for the second quarter ended June 30, 2021.

On August 18, 2021, the Company announced the signing of a five-year research agreement with Johns Hopkins University (JHU) School of Medicine, with research to be led by Professor of Psychiatry and Behavioral Sciences at Johns Hopkins University, Dr. Matthew W. Johnson, Ph. D.

On September 7, 2021, the Company announced that it was partnered with Principle Investigator Dr. Matthew Johnson of Johns Hopkins University on a study evaluating the administration of MYCO-001 with a structured smoking cessation treatment program in nicotine dependent individuals.

On September 22, 2021, the Company announced that it has filed its final patent application with the United States Patent and Trademark Office and the World Intellectual Property Organization for one of its lead drug candidates, MYCO-003, which is being developed to offer enhanced treatment of anxiety and post-traumatic stress disorder.

On September 24, 2021, the Company announced that the Spin-out received the requisite shareholder approval at the Company's annual general meeting of shareholders held on September 20, 2021. The Company also announced that six of the seven director nominees listed in the Company's management information circular dated August 23, 2021, were elected as directors, with Andre Peschong no longer acting as a director of the Company.

On September 27, 2021, the Company announced that is previously issued financial statements for the three and six-month period ended June 30, 2021 and corresponding management's discussion and analyses have been restated and reissued.

On October 1, 2021, the Company announced the closing of the previously announced Spin-out.

On October 5, the Company announced that it plans to supply its leading drug candidate, MYCO-001, for a multi-site smoking cessation study being conducted at Johns Hopkins University, New York University and the University of Alabama Birmingham by leading drug and substance use researcher, Dr. Matthew Johnson.

Significant Acquisitions

The Company has not completed any significant acquisition during its most recently completed financial year for which a business acquisition report and disclosure is required under Part 8 of National Instrument 51-102.

General

Mydecine Innovations Group Inc. is an emerging biotech and life sciences company dedicated to developing and commercializing innovative solutions for treating mental health problems and enhancing wellbeing. The Company's medical and scientific advisory board ("**SAB**") is building

out an R&D pipeline of nature-sourced psychedelic-assisted therapeutics, novel compounds, therapy protocols, and unique delivery systems.

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

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

At the heart of Mydecine's core philosophy is that psychedelic-assisted psychotherapy will continue to gain acceptance in the medical community with many accredited research organizations around the world demonstrating its clinical effectiveness. Mydecine recognizes the responsibility associated with psychedelic-assisted therapy and will continue to advocate for clinical trials, research, technology, and global supply.

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

Furthermore, prior to the completion of the Spin-out, the Company's wholly owned subsidiaries in the hemp-derived CBD space, We are Kured LLC, Drink Fresh Water LLC, ReLyfe Brand LLC, Fresh Water CBD LLC and TeaLief Brand LLC maintained extensive retail and cultivation land investments in the United States.

Products

Psilocybin Research and Development

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

The Company has entered into a partnership with Leiden University Medical Center ("**Leiden University**") pursuant to which Leiden University has agreed carry out a Phase 2a clinical trial for psilocybin-assisted psychotherapy for the treatment of veterans and EMS personnel

suffering from PTSD on NeuroPharm's behalf (the "**Leiden University Phase 2a Clinical Trial**"). Under the arrangement, the Company is responsible for all costs associated with the Leiden University Phase 2a Clinical Trial. The arrangement may be terminated by either party at any time.

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

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

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

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

On August 18, 2021, the Company entered into a five (5) year research agreement with Johns Hopkins University School of Medicine ("**JHU**") and has partnered with Professor of Psychiatry and Behavioural Sciences at JHU, Dr. Matthew Johnson, Ph.D., to conduct a Phase 2/3 smoking cessation clinical trial on its leading drug candidate referred to as MYCO-001, projected to launch in the first quarter of 2022.

The Company also plans to supply MYCO-001 for a concurrent multi-site smoking cessation study being conducted at JHU and the University of Alabama Birmingham.

The Company has identified both formulation and manufacturing partnerships for its initial functional mushroom products. Once the formulation stage is complete, the Company will manufacture and market the mushroom products through its various lines of distributions.

CBD Products (Pre-Spin-out)

Kured. Each of Kured's vaporizing pens is infused with one of 6 specific terpene flavour profiles. The 6 variations are: Relax "OG Kush", Focus "Strawberry Diesel", Energy "Pineapple Express", Tangerine, Mango and Charlotte's Web.

Kured also offers CBD flower pre-rolled joints available in 6 terpene infused flavor profiles. The flavor profiles include Menthol, Tobacco, Pineapple Express, OG Kush, Mango, and Blueberry Cookies.

Fresh Water. Fresh Water's flagship product is a nano amplified alkaline water that is in over 100 unique stores in the United States.

ReLyfe. ReLyfe offers 2 different sized product offerings: a 7-day week pack and a 30-day monthly bottle. ReLlyfe's 25MG soft gel CBD capsules are seamless and 100% THC free. ReLyfe's products are currently available in stores both in the US and internationally.

TeaLief. TeaLief's 25MG teabags come in 3 types: Black Ginger Peach (a high caffeine offering) Green Tea Coconut (a mild caffeine offering) and Honey Spice Rooibos (a zero caffeine offering). TeaLief's products offerings include a 16 count box and 7 count packets.

Prior to the completion of the Spin-out, the Company distributed its CBD products in the United States through each brand's e- commerce website platform and through third party shops through consignment arrangements. In addition, the Company contracted with various distributors for access to grocery stores, health food stores and retail chains in the United States and Europe.

Production

The Company intends on developing proprietary formulations in their state-of-the-art lab in Colorado. The Company is currently in discussions with numerous manufacturing companies to make its various product lines.

Specialized Skill and Knowledge

The Company is currently comprised of numerous scientific advisors with years of experience and numerous awards in the cultivation, manufacturing and administration of various varietals of mushrooms and related products.

Competitive Conditions

The number of competitors and the degree of competition within the North American food industry varies greatly by product segment and region. In the mushroom food industry, there are a limited number of competitors. These competitors offer a similar category of products as the Company, being mushroom extracts, powders, teas and other wellness products.

New Products

The Company is currently formulating multiple proprietary functional mushroom products. The Company has identified a vertically integrated world leader in the coffee, chocolate and honey space and is currently working with its partner to develop a proprietary line of mushroom infused coffees, chocolates and honey that carry strong scientific backing of mushroom's health and wellness benefits.

Prior to the completion of the Spin-out, the Company had been developing new and innovative recreational cannabis products. The availability of these products is contingent on a number of factors, including the implementation of a regulatory structure for such products. See "*Description of Business – Regulatory Overview*" and "*Risk Factors*" for additional details.

Components

The Company's business is dependent on a number of key inputs, including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. The raw materials that are integral to the Company's products are plant nutrients and water. The Company does not anticipate any difficulty in sourcing the components necessary to operate its business.

Intangible Properties

The Company, through its wholly-owned subsidiary, NeuroPharm, has filed a provisional patent application with the United States Patent and Trademark Office ("**USPTO**") on October 2020, covering composition of matter claims regarding psychedelic therapy enhancer for the treatment of certain psychiatric disorders, including enhancements to treatments for PTSD.

The Company filed seven provisional patent applications with the USPTO in its efforts to discover valuable novel compounds in fungi for medicinal and pharmaceutical use.

The Company's subsidiary, Mindleap Health, filed a provisional patent for its technology telemedicine platform in both USPTO and the Canadian Intellectual Property Office.

Cycles

The Company's results are subject to fluctuations associated with impact on consumer demand during holidays and seasonal changes in weather. The Company may also experience seasonality in sales due to market trends.

Foreign Operations

The Company's international expansion strategy is dependent on its foreign operations and the success thereof, as well as legislative developments in each of those countries.

Employees

As at December 31, 2020 Mydecine had no full-time employees.

Regulatory Overview

Psilocybin Mushroom Products

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

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

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

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

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

It is anticipated that all of the Company's psilocybin activities in Canada will be carried out in partnership with API, major hospitals or major institutions under licenses held by and exemptions afforded to such partners to legally handle and administer psilocybin. Each of the University of Alberta, Leiden University, Royal Ottawa and the University of Maryland hold all required licenses to use a controlled substance, including psilocybin, and to carry out the Phase 2a Clinical Trial, the Leiden University Phase 2a Clinical Trial, the Royal Ottawa Phase 2a

Clinical Trial and the Maryland Study. None of the Macquarie Study, the London Study and the Alberta Study involves the handling of psilocybin and, therefore, no licenses are required by the applicable research partner to carry out the study. The Company has itself not applied for a Section 56 exemption from Health Canada.

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

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

CBD Products

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

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

sold into commerce and transported across state lines provided that the hemp from which any product is derived was cultivated under a license issued by an authorized state program approved by the USDA and otherwise meets the definition of hemp. The 2018 Farm Bill also explicitly preserved the authority of the FDA to regulate hemp-derived products under the FD&C Act. The Company expects that the FDA will promulgate its own rules for the regulation of hemp-derived products in the coming year. Notwithstanding the pending FDA rules, on October 29, 2019, the USDA published its proposed rules for the regulation of hemp, as discussed above ("**USDA Rule**"). The USDA Rule will go into effect immediately upon the conclusion of the public comment period and publication in the federal register by the USDA. The USDA Rule, among other things, sets minimum standards for the cultivation and production of hemp, as well as requirements for laboratory testing of hemp. See "*Disclosure Regarding the Company's Entities Carrying on Business in the United States Cannabis Industry*."

Clinical Operations

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

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

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

Natural Products Operations (Jamaica)

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

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

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

of Research on Human Subjects. Furthermore, medicines, including natural products, require registration with the JMH prior to importation, distribution and sale in Jamaica, as outlined in the *Food and Drugs Act, 1964*.

The Company has received legal opinions or advice in each jurisdiction where it currently operates or proposes to operate (other than Oregon, where the applicable legislation has not yet been created), confirming the permissibility of the Company's operations in such jurisdictions.

Pharmaceutical Development and Approval Requirements – Canada

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

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

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

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

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

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

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

Pharmaceutical Development and Approval Requirements – United States

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

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

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

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

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

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

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

Risk Factors

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The Board considers the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Shares could decline and investors may lose all or part of their investment.

Substantial Number of Authorized but Unissued Shares

The Company has an unlimited number of Shares that may be issued by the Board without further action or approval of the Company's shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Shares. If the Company issues Shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

Additional Requirements for Capital

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

Negative Cash Flow from Operations

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

Limited Operating History

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

Management of Growth

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

Retention and Acquisition of Skilled Personnel

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

Conflicts of Interest

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

Personnel

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

Public Health Crises

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

currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic.

Such public health crises can result in volatility and disruptions in the supply and demand for cannabis products, global supply chains and financial markets, as well as declining trade and market sentiment, and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. The extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition. To the knowledge of the Company's management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to the Company in relation to the Company's plan of distribution and use of proceeds related to the Offering, nor to the timelines, business objectives or disclosed milestones related thereto. The Company relies on third parties to conduct and monitor the Company's pre-clinical studies and clinical trials. However, to the knowledge of the Company's management, the ability of these third parties to conduct and monitor pre-clinical studies and clinical trials has not been and is not anticipated to be impacted by COVID-19. The Company is not currently aware of any changes in laws, regulations or guidelines, including tax and accounting requirements, arising from COVID-19 which would be reasonably anticipated to materially affect the Company's business.

Success of Products is Dependent on Public Taste

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

Raw Materials

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

Limited Number of Products

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

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

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

Consumer Perception of Mushrooms

The Company will be highly dependent upon consumer perception of mushrooms and mushroom based products. The public may associate its mushrooms with illegal psychoactive mushrooms, which are prohibited substances. The Company's revenues may be negatively impacted due to the fact the market does not fully accept the mushrooms as a food product.

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

Brand Awareness

The Company's products are sold in the United States and certain locations throughout Europe and online. Brand awareness has not been achieved inside or outside these regions. There is

no assurance that the Company will be able to achieve brand awareness in any of these regions. In addition, the Company must develop successful marketing, promotional and sales programs in order to sell its products. If the Company is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Development of New Products

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

Dependence on Management Team

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

Certain Arrangements with Research Partners Not Formalized

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

Legal Proceedings

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

Failure to Achieve its Publicly Announced Milestones

From time to time, the Company may announce the timing of certain events it expects to occur, such as the anticipated timing of future clinics becoming operational, research and development updates and results. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing

of such events may differ from what has been publicly disclosed. These variations in timing may occur as a result of different events, beyond the Company's control having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of the Common Shares.

Regulatory Compliance

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

Regulatory Changes

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

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

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

Risks Related to Clinical Testing

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

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

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

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

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

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and the Company can make no assurance that any future studies, if undertaken, will yield favourable results.

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

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

Patients for Clinical Trials

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

Future Health Canada Approval

If the Company decides to directly conduct any future research in Canada into products that involve ingredients that are controlled under the CDSA (including certain psychedelics such as psilocybin) it will require a research license or Section 56 Exemption from Health Canada with similar controlled substance authorizations required from a federal competent authority in other jurisdictions. There is no assurance that such exemption would be granted, and if it were not to

be granted, it might prevent the Company from handling and researching such products in Canada without collaborating with a licensed partner.

Product Liability

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

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

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

Product Liability Claims

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

Distribution/Supply Chain Interruption

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

Reliance on Third Party Manufacturers

The Company relies on outside sources to manufacture its products. The failure of such third party packagers to deliver either components or finished goods on a timely basis could have a material adverse effect on the business. The Company does not intend to develop its own

packaging capacity in the short term. As these are third parties over which the Company will have little or no control, the failure of such third parties to provide components or finished goods on a timely basis could have a material adverse effect on the business, financial condition and operating results.

Reliance on Marketing Partners and Future Distributors

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

Product Recalls

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

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

Trademark Protection

The Company currently has no obtained any trademarks. Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

Emerging Market Risks

The Company has operations in Jamaica, an emerging market country, and may have operations in additional emerging markets in the future. Such operations expose the Company to the socio-economic conditions as well as the laws governing the activities of the Company in Jamaica and any other jurisdiction where the Company may have operations in the future.

Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates, military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licenses, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, banking and currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

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

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

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

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

The legal and regulatory requirements and local business culture and practices in Jamaica and the foreign countries in which the Company may expand are different from those in which it currently operates. The officers and directors of the Company will rely, to a great extent, on the Company's local legal counsel and local consultants and advisors in respect of legal, banking, labour, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations, particularly with respect to psilocybin or related operations. Increased compliance costs may be

incurred by the Company. Further, there can be no assurance that the Company will develop a marketable product or service in Jamaica or any other foreign country. These factors may have a material adverse effect on the Company's research and development business and the results of its research and development operations.

In the event of a dispute arising in connection with the Company's operations in Jamaica or another a foreign jurisdiction where the Company may conduct business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control.

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

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

Enforcement of legal rights in foreign jurisdictions

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

Employees May Engage in Misconduct or other Improper Activities

The Company's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business. The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards the Company has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Company. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business

arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's reputation. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Company's business and results of operations, including the imposition of substantial fines or other sanctions.

Acquisition of Businesses

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

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

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

Competition

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

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

Smaller Companies

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

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Shares distributed hereunder will be affected by such volatility.

Conflicts of Interest

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

Personnel

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

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Liquidity of the Shares

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

The market price of the Shares may not reflect the underlying value of the Company's net assets. The price at which the Shares will be traded, and the price at which investors may realise their Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations,

large purchases or sales of the Shares, liquidity or the absence of liquidity in the Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Although the Board will seek to minimise the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specialises in investments of this nature before making any decision to invest.

Risks Relating to the Company's Cannabis Business

The following risk factors relate to the Company's U.S. Cannabis Assets which were spun-out into Spinco on October 1, 2021 pursuant to the Spin-out Arrangement.

Risk Relating to the Cannabis Industry

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

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

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

In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the

Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

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

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

Regulatory Risks

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

Participants in the U.S. legal cannabis industry will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the participant and, thereby, on the Company's prospective returns. Further, the Company may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect the Company's ability to conduct its business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on the Company's financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

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

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

The Company's financings are expected to be focused in those U.S. states that have legalized the medical and/or adult-use of cannabis. Almost half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis without limits on THC, while other states have enacted legislation to legalize and regulate the sale and use of medical cannabis with strict limits on the levels of THC. However, the U.S. federal government has not enacted similar legislation and the cultivation, sale and use of cannabis remains illegal under federal law pursuant to the CSA. The federal government of the U.S. has specifically reserved

the right to enforce federal law in regards to the sale and disbursement of medical or adult-use use cannabis, even if state law sanctioned such sale and disbursement. It is presently unclear whether the U.S. federal government intends to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law. This risk was further heightened by the revocation of the Cole Memorandum (defined below) in January 2018.

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

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

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

Illegality under U.S. Federal Law

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

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

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

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

The Rohrabacher Blumenauer Appropriations Amendment (originally the Rohrabacher Farr Amendment) has been included in federal annual spending bills since 2014. This amendment restricts the DOJ from using federal funds to prevent states with medical cannabis regulations from implementing laws that authorize the use, distribution, possession or cultivation of medical cannabis. In 2017, Senator Patrick Leahy (D-Vermont) introduced a parity amendment to H.R.1625–a vehicle for the *Consolidated Appropriations Act 2018*, preventing federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding ("**Leahy Amendment**"). The Leahy Amendment was set to expire with the 2018 fiscal year on September 30, 2018; however, Congress approved a nine-week continuing resolution from the 2018 fiscal year (the "**Continuing Resolution**"). The Continuing Resolution has the result of providing ongoing and

consistent protection for the medical cannabis industry until December 7, 2018. Congress has been negotiating the 2019 fiscal year appropriations since February 2018. Although we expect that language protecting the medical cannabis industry will be included in the final 2019 fiscal year appropriations bill, there can be no assurance that the final 2019 fiscal year appropriations bill will include appropriations protecting the medical cannabis industry.

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

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

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

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

Anti-Money Laundering Laws and Regulations

The Company is subject to a variety of laws and regulations in Canada and the U.S. that involve money laundering, financial record-keeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines,

issued, administered or enforced by governmental authorities in the U.S. and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a chequing account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

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

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

Overall, since the production and possession of cannabis is illegal under U.S. federal law, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. As the Company will have a material ancillary involvement in the U.S. legal cannabis industry, the Company may find that it is unable to open bank accounts with certain Canadian financial institutions, which in turn may make it difficult to operate the Company's business.

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

Canadian Securities Regulatory Matters

The Company's involvement in the U.S. cannabis industry may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. It has been reported in Canada that the Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS 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 Shares to make and settle trades. In particular, the Shares would become highly illiquid and, until an alternative was implemented, investors would have no ability to effect a trade of the Shares through the facilities of a stock exchange, should the Shares have become listed on a stock exchange.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Shares are listed on a stock exchange, it would have a material adverse effect on the ability of holders of Shares to make and settle trades. In particular, the Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to affect a trade of the 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. Further, adverse publicity reports or other media attention regarding cannabis in general or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medical and adult- use cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general). The Company's ability to gain and increase market acceptance of its proposed investment business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on the Company.

Legalization of Recreational Cannabis

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

Uncertainty of Cannabis Industry

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

Difficulties in Quantifying Cannabis Industry

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

Consolidation in Cannabis Industry

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by

losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

DIVIDENDS AND DISTRIBUTIONS

Although the Board is permitted to declare dividends on the Shares from time to time out of available funds, it is the current policy of the Board to reinvest any profits in the development and advancement of the Company's business. No dividends have been declared on the Shares in the three most recently completed financial years.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of Shares. As of the date of this AIF, there are 241,827,814 Shares issued and outstanding. In addition, as of the date of this AIF, there were 16,293,157 Shares issuable on the exercise of Options and 62,430,661 Shares issuable on the exercise of Warrants.

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

No pre-emptive, redemption, sinking fund or conversion rights are attached to the Shares, and the Shares, when fully paid, will not be liable to further call or assessment. No other class of Shares may be created without the approval of the holders of the Shares.

Constraints

The Company does not have any constraints imposed on the ownership of its securities to ensure that the Company has a required level of Canadian ownership.

Ratings

The Company does not have any ratings for its securities from a rating organization.

MARKET FOR SECURITIES

Trading Price and Volume

During 2020, the Company's Shares traded on the CSE. On March 23, 2021, the Company's Shares migrated from the CSE and were listed on the NEO under the trading symbol "MYCO".

The Shares also trade on the OTC Pink Sheets under the symbol “MYCOF” and the Frankfurt Stock Exchange under the symbol “0NFA”. The following chart sets out the high and low trading prices, and volume of Shares traded on the CSE, on a monthly basis, for the most recently completed financial year:

Month / Year	High ($)	Low ($)	Volume
January 2020	0.16	0.085	1,605,453
February 2020	0.15	0.095	5,344,566
March 2020	0.12	0.04	1,549,788
April 2020	0.145	0.065	6,598,945
May 2020	0.85	0.12	33,383,685
June 2020	1.15	0.6	16,912,603
July 2020	0.9	0.47	9,988,457
August 2020	0.61	0.32	12,002,749
September 2020	0.54	0.18	27,931,114
October 2020	0.39	0.18	60,675,038
November 2020	0.335	0.165	44,054,424
December 2020	0.68	0.26	71,318,002
January 2021	0.60	0.38	32,423,607

Prior Sales

For the twelve (12) month period before the most recently completed financial year, the Company issued the following securities that are not listed or quoted on a marketplace:

Date Issued	Number of Securities	Type of Security	Issue/ Exercise Price per Security
May 7, 2020	1,183,000	Finder’s Warrants[(1)]	$0.05
June 19, 2020	172,750	Warrants	$0.50
June 19, 2020	8,000,000	Units[(2)]	$0.30
June 19, 2020	4,000,000	Warrants[(3)]	$0.50
September 3, 2020	10,000,000	Performance Warrants[(4)]	Equals to a 20% discount to the Company’s market price on the date of

Date Issued	Number of Securities	Type of Security	Issue/ Exercise Price per Security
			exercise
September 16, 2020	3,000,000	Options[5]	$0.24
September 25, 2020	8,000,000	Options[6]	$0.21
September 28, 2020	35,737,460	Warrants[7]	$0.30
September 30, 2020	1,000,000	Options[8]	$0.26
October 16, 2020	$4,700,000	Secured Convertible Debenture Notes[9]	$0.20
October 8, 2020	100,000	Options	$0.30
December 4, 2020	7,602,740	Warrants	$0.30
December 18, 2020	508,767	Warrants	$0.30

Notes:

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

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

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

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

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

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

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

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

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

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this AIF, the Company's has nil issued and outstanding Shares in escrow or subject to a contractual restriction on transfer subject to various transfer restrictions.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth for each of the directors and officers of the Company, their name, province/state and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Company; their independence; their memberships with the applicable committees of the Company as of the date of this AIF. The directors are elected until the next annual shareholders' meeting or, in the case of a vacancy or resignation, until the election or nomination of a successor.

Name of Director / Officer	Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed[(1)]	Number of Options Held[(1)]
David Joshua Bartch		
Colorado, USA Director since June 22, 2018 President, CEO, Interim CFO since July 30, 2018	30,529,956	3,100,000
	President of Evolutionary Ventures LLC; Director of Revolutionary Software LLC; President of Trellis Holdings RE; President of Doctors Orders Group; President of Doctors Orders Maryland LLC; and President of Doctors Orders Mass LLC.	
Damon Michaels		
Florida, USA Director since August 28, 2020 and COO since May 11, 2020	2,550,000	3,000,000
	Founder of Emerald Baron Consulting; VP Sales & Marketing of HB Farms; and General Manager of Ebbu LLC.	
Gordon Neal[(2)]		
Vancouver, BC Director since January 11, 2021	Nil	Nil
	President of New Pacific Metals; VP Corporate Development of Silvercorp Metals Corp.; and VP Corporate Development of MAG Silver Corp.	
Josephine Wu[(2)]		
Hong Kong Director since January 14, 2021	Nil	Nil
	Founder and CIO of Aionious Management Limited; Managing Director of UBP Asset Management Asia Ltd; and Managing Partner of Light & Salt Capital Management Limited.	
Robert Roscow		
Colorado, USA Director since December 9, 2020 and Chief Scientific	1,800,000	1,500,000
	Director of Genetics Research of Victory Hemp Foods; Director of Genetics Research of Canopy Growth Corporation; and Director of Genetics Research of Ebbu LLC.	

Name of Director / Officer	Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed[(1)]	Number of Options Held[(1)]
Officer since May 8, 2020		
Dr. Saeid Babaei[(2)]		
Toronto, ON Director since September 20, 2021	Nil	Nil
	Chairman and CEO of Virotek BioSciences Inc.;	
Dean Ditto		
Colorado, USA CFO since December 31, 2020	Nil	Nil
	CFO of Sigue Corporation; VP and Corporate Controller of OSI Systems Inc.; and CFO of DLH Davinci LLC.	

Notes:

(1) The number of Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at www.sedi.ca.

(2) Member of the Audit Committee.

As of the date hereof, the directors and senior officers of Mydecine as a group beneficially own, directly or indirectly, or over which control or direction is exercised, 34,879,956 of the issued and outstanding Shares, representing approximately 14.43% of the total votes attaching to all of the outstanding voting securities of Mydecine on a non-diluted basis.

Board Committees

The Board has one standing committee which is the Audit Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a), “order” means: (i) a cease trade order, (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, which was in effect for more than 30 consecutive days.

To the knowledge of the Company, no director or executive officer of the Company, or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder;

(b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company's Management Discussion & Analysis for the fiscal year ended December 31, 2020.

PROMOTERS

The Company does not currently have any promoters, nor has it had any promoters during the past two most recently completed financial years.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company may become party to litigation or other adversary proceedings, with or without merit, in a number of jurisdictions. The cost of defending such claims may take away from management time and effort and if determined adversely to Mydecine, may have a material and adverse effect on its cash flows, results of operation and financial condition. As of the date of this AIF the Company is not party to any litigation or other adversary proceedings.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, in the three most recently completed financial years or the current financial year, no director, or executive officer of the Company, or any shareholders who

beneficially own, control or direct, directly or indirectly, more than 10% of the Company's outstanding Shares, or any known associate or affiliate of such persons, had or is expected to have any material interest, direct or indirect in any transactions with the Company that materially affected or would materially affect the Company. All related party transactions are detailed in the Company's financial statements for the fiscal year ended December 31, 2020.

- David Joshua Bartch, CEO and a director of the Company declared his interest and abstained from voting in respect of the Trellis Acquisition. Pursuant to the Trellis Acquisition, Mr. Bartch received 25,000,000 Shares, representing approximately 29.6% of the Company's issued and outstanding Shares following such issuance;

- 3063625 Nova Scotia Ltd. received 11,500,000 Shares in respect of the Mydecine Acquisition, representing approximately 20.4% of the Company's issued and outstanding Shares following such issuance; and

- Pursuant to the Neuropharm acquisition, Rakesh Jetly received 1,003,156 Shares, representing approximately 0.65% of the Company's issued and outstanding Shares following such issuance.

- Following the Spin-out, Mr. Bartch continued as director and officer of Spinco.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is National Securities Administrators Ltd. located at 777 Hornby Street, Suite 702, Vancouver, British Columbia V6Z 1S2.

MATERIAL CONTRACTS

The Company is not a party to any material contracts entered into within the most recently completed financial year, or before the most recently completed financial year, but that are still in effect, other than those contracts entered into in the ordinary course of business or disclosed under the General Development of the Business.

INTERESTS OF EXPERTS

MNP LLP, of Suite 300, 111 Richmond St W, Toronto, ON M5H 2G4 has performed the audit in respect of the annual financial statements of the Company for the financial year ended December 31, 2020. MNP LLP, is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE DISCLOSURE

The Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this AIF.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of Gordon Neal, Josephine Wu and Dr. Saeid Babaei.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. The Company's current Audit Committee consists of Gordon Neal, Josephine Wu and Dr. Saeid Babaei. Gordon Neal, Josephine Wu and Dr. Saeid Babaei are independent members of the Audit Committee.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Gordon Neal

Gordon Neal has more than 35 years' experience in governance, corporate finance and investor relations. He founded Neal McInerney Investor Relations in 1991. Through marketing more than $4 billion in debt and equity financings, his company grew to be the second largest full-service Investor Relations firm in Canada with offices in Vancouver, Toronto and Los Angeles. His clients included; BCE, Nortel, Bell Canada International, Bell Mobility, Clearnet, Intrawest, Canaccord Capital, BMO Nesbitt Burns, and Blackberry (RIM). Prior to that, Mr. Neal was VP Corporate Development at MAG Silver Corp. where he provided capital market strategies and solutions to the board. He is currently the President of New Pacific Metals Corp. Mr. Neal has served on the boards of Falco Resources, Balmoral Resources, Americas Petrogas, Rockgate Capital, and Xiana Mining. Mr. Neal has raised more than $500 million for resources companies since 2004. Mr. Neal graduated from Dalhousie University with a B.Sc. in Biochemistry. He has also served as a member of the Dalhousie University Senate and Board of Governors.

Josephine Wu

Josephine Wu has over 18 years of hedge fund, family office and global asset management experiences including 10 years of listed, pre-IPO and early-stage Pan-Asia healthcare investment experience. She has been CIO and portfolio manager with combined assets under management over US$5 billion. She is the founder and CIO of Aionious Management Limited, a dedicated healthcare investment company which invests and provides business development and commercialization strategies in pan Asia region, specifically in China. Ms. Wu brings in an extensive network of experts in operation, clinical, market positioning and regulatory knowledge in the Pan Asia healthcare landscape. Her investments in different stages healthcare companies have led to a few successful commercialization launches of pharmaceutical products, regulatory approvals for decontamination solutions for hospitals and research centers and signing of strategic partnerships in commercialization transactions and IPOs.

Dr. Saeid Babaei

Dr. Babaei holds a PhD and an executive MBA, both from the University of Toronto. Dr. Babaei has over 20 years of academic and corporate experience, during which he has led several novel and first-in-class product opportunities to either commercialization or late-stage development. He brings tremendous business foresight having closed over 15 licensing and strategic alliance transactions, as well as raising over $50 million in equity and debt financing. Dr. Babaei is

currently the President and CEO at AbCelex Technologies, a Canadian biotechnology company specializing in discovery, development and commercialization of antibody-based products for animal and human health. Prior to co-founding AbCelex, he headed business development and strategic alliance management at the Centre for Drug Research and Development. Prior to that he was the VP of business development at Aptose Biosciences Inc. (formerly known as Lorus Therapeutics), where he was responsible for product and technology in- and out-licensing, strategic planning and corporate finance. He has served as President of the Life Sciences division at AngioCell, providing partnering support and advice to a range of clients on licensing, M&A, pipeline valuation, strategic planning and project financing.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110;

b) the exemption in section 3.2 (Initial Public Offerings) of NI 52-110;

c) the exemption in section 3.4 (Events Outside Control of Member) of NI 52-110; or

d) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to MNP LLP, SHIM & Associates LLP and Adam Sung Kim Ltd., Chartered Professional Accountant, former auditor of the Company, for services rendered in the last two fiscal years:

Nature of Services	Fees paid to Auditor in YE December 31, 2020	Fees paid to Auditor in YE December 31, 2019
Audit Fees	$300,000	$25,000
Audit-Related Fees	Nil	$500
Tax Fees	$44,000	$1,000
All other Fees	Nil	Nil
TOTAL	**$344,000**	**$26,500**

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest

services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

ADDITIONAL INFORMATION

Financial information about the Company is contained in its comparative financial statements and management's discussion & analysis for the fiscal years ended December 31, 2020 and 2019, and additional information relating to the Company is available on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the information circular prepared in respect of the Company's annual general meeting to be held on or about September 20, 2021.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF MYDECINE INNOVATIONS GROUP INC. (the "Company")

1. Purpose

1.1 The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:

(a) support the Board of Directors in meeting its responsibilities to shareholders;

(b) enhance the independence of the external auditor;

(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;

(d) increase the credibility and objectivity of the Company's financial reports and public disclosure.

1.2 The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.

1.3 The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

2.1 Each member of the Audit Committee must be a director of the Company.

2.2 The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.

2.3 The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.

(c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1 The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;

(b) recommending to the Board of Directors the compensation of the external auditor;

(c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;

(d) overseeing the work of the external auditor;

(e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

(f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;

(g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;

(h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;

(i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;

(j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;

(k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to is dissemination to the public;

(l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;

(m) ensuring the integrity of disclosure controls and internal controls over financial reporting;

(n) resolving disputes between management and the external auditor regarding financial reporting;

(o) establishing procedures for:

(i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and

(ii) the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.

(p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2 The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.

5.2 The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

5.3 The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

5.4 The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

5.5 A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

5.6 The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.

5.7 The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.8 The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

6.1 The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.