MYDECINE INNOVATIONS GROUP INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2022 AND SEPTEMBER 30, 2021

(Expressed in Canadian dollars)

MYDECINE INNOVATIONS GROUP INC.
MANAGEMENT DISCUSSION & ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

This management's discussion and analysis provides an analysis of the interim financial position and results from operations of Mydecine Innovations Group Inc. ("**we**", "**us**", "**our**", the "**Company**" or "**Mydecine**") which will enable the reader to evaluate important variations in our financial situation for the three and nine months ended September 30, 2022, compared to the three and nine months ended September 30, 2021. This report has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2021.

This Interim MD&A has been prepared in compliance with section 2.2 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended December 31, 2021 and 2020, together with the notes thereto, and unaudited interim financial statements for the three and nine months ended September 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated. The unaudited interim financial statements have been prepared in accordance with International Accounting Standards 34 - *Interim Financial Reporting*. Accordinglcontained herein is presented as of November 14, 2022, the date the financial statements and Interim MDA were approved by the Board, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

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

FORWARD LOOKING STATEMENTS

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

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

- *The Company's expectations regarding the adoption and impact of certain accounting pronouncements;*
- *The availability of financing needed to complete the Company's planned improvements on commercially reasonable terms;*
- *The Company's expectations with respect to the Company's future financial and operating performance;*
- *The Company's expectations with respect to future performance, results and terms of strategic initiatives, strategic agreements and supply agreements.*
- *The Company's expectation on receiving regulatory approval to develop and market psychedelic medicine*

including but not limited to psilocybin and derivatives of psilocybin; and,
- *Federal status that may contradict local and state legislation respecting the legal status of psychedelic medicine including but not limited to psilocybin and derivatives of psilocybin;*

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

BACKGROUND

Mydecine Innovations Group Inc. was incorporated under the Business Corporations Act (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. On May 27, 2020 the Company changed its name to Mydecine Innovations Group Inc. The Company's common shares trade on the NEO exchange (NEO: MYCO), OTC exchange (OTC:MYCOF) and on the Frankfurt stock exchange (FSE:0NFA).

The Company is a biotechnology business creating the latest novel drugs and therapies to treat mental health conditions like nicotine addiction and post-traumatic stress disorder (PTSD). The primary approach combines advanced technology with a complex infrastructure for medication development. The committed, international team at Mydecine is constantly creating new avenues for ground-breaking medical treatments in areas with significant unmet needs. The Company is responsibly moving swiftly with the development of ground-breaking drugs by working with some of the top experts in the world, eventually giving patients access to safer and more effective treatment options. In addition, Mydecine's strategy focuses on developing novel compounds with unparalleled therapeutic potential through its clinical trial initiatives with world-class scientific and regulatory expertise. This is done to advance the field of psychedelic medicine. Mydecine was established in 2020 and had offices in Leiden, the Netherlands, and Alberta, Canada. Its headquarters are based in Colorado, USA.

Through an exclusive partnership with Applied Pharmaceutical Innovations (API), a not-for-profit organization at the University of Alberta, the Company conducts its pharmaceutical drug discovery R&D on empathogenic and entactogenic compounds under a Health Canada Schedule I Dealer's License with a focus on developing and commercializing psychedelic-inspired regulated medicine. Through API, the Company is conducting studies on compounds derived from psilocybin, psilocin, and MDMA at research facilities in Canada, the United States, Australia, the United Kingdom, and the Netherlands.

No Schedule I products will be commercialized prior to applicable legal or regulatory approval. The Company does not have any direct or indirect involvement with the illegal selling, production or distribution of substances in the jurisdictions in which it operates. The Company does not advocate for the legalization of psychedelic substances for recreational purposes and does not deal with psychedelic substances except within laboratory and clinical trial settings conducted within approved regulatory frameworks.

CHANGES TO BOARD OF DIRECTORS AND MANAGEMENT

On May 31, 2022, Gordon Neal who served as on the Company's board of directors and the chair of the Audit Committee resigned, effective in order to attend to his other business interests. Mr. Todd Heinzl, who is the owner of The Governance Box consultancy and who has been working as a corporate governance consultant for the Company, was nominated to succeed Mr. Neal the chairman of the board of directors. Mr. Heinzl's appointment was approved by the board of directors in a meeting on July 19, 2022. During that meeting, it was determined that the chair of the Audit Committee would be determined and approved by vote during the next meeting of that committee.

On August 12, 2022, the Company announced that Josephine Wu, Dr. Saeid Babaei, Damon Michaels, and Dr. Victoria Hale had resigned as directors of the Company. As a result of the resignations, the Company is currently working to identify suitable candidates to replace Ms. Wu, Dr. Babaei, Mr. Michaels, and Dr. Hale on the board, and to recruit and appoint three new independent directors to the Company's board of directors and audit committee. In connection with the resignation of Ms. Wu and Dr. Babaei, the Company's board appointed its sole independent director, Todd Heinzl, to act as sole member of the Company's audit committee until additional independent directors are appointed. Mr. Michaels will still continue to serve as the Company's Chief Operating Officer.

On August 19, 2022, the Company announced that Joshua Bartch, Todd Heinzl, and Robert Roscow were appointed on an interim basis as members of the Company's Audit Committee.

On August 19, 2022, the Company also announced that Larry Dean Ditto has resigned as Chief Financial Officer. On September 23, 2022, the Company welcomed John Ross as Chief Financial Officer.

EXECUTIVE HIGHLIGHTS

In 2022, Mydecine continued to define its focus and clinical trial execution strategy. The Company reached several milestones with the goal to become an efficiently operated biotechnology company. Of significant note, Mydecine announced several advancements in drug development including first and second-generation drug candidates. We have identified and pursued the indications that management believes will be most promising from the view of treating global populations in need. The Company has matured significantly in every aspect of its operations, focus, efficiencies, corporate governance and execution in the pursuit of being a world class, purpose driven, drug development platform that is focused, credible and qualified to successfully accomplish its goals and bring significant value to its loyal shareholders.

During the September 2022 reporting period, the Company signed a Letter of Intent to sell its digital technology subsidiary, Mindleap Health Inc. Management decided to reduce the scope of daily operation within the Mindleap Health subsidiary. Software development activities were paused and the Company released Mindleap's consultants. The platform remained, and remains, available to subscribers and continued to generate operating revenues and expenses through September 30, 2022.

During the three months ended June 30, 2022 management decided to cease the research that was being conducted in the research facility located in Denver, CO. During the quarter, the employees at this facility were released or transferred to other functions of the Company. Management began preparations to liquidate the laboratory equipment and furniture in this location and, subsequently, negotiated an amendment that changed the termination date of the lease. See the discussion of subsequent events for additional information.

During 2020 and the nine-months ended September 30, 2021, the Company controlled a variety of hemp-derived cannabis assets that cultivated, designed, manufactured, and distributed products. As well, up to September 30, 2021, the Company had a portfolio that included a rental property and land assets. These business assets were spun out into a separate corporate entity as of October 1, 2021, therefore are not represented in the company's year-to-date 2022 operating results.

On September 16, 2022, the Company completed a private placement and issued 1,754,386 common shares for gross proceeds of $1,000,000.

On August 16, 2022, the Company completed a private placement and issued 326,666 common shares for gross proceeds of $245,000.

On May 27, 2022 the Company completed an overnight offering and issued 2,447,130 common shares for gross proceeds of $2,814,200. The Company paid broker fees of $186,043.

On May 2, 2022, the Company, in connection with its previously announced Common Share Subscription Agreement (the "Subscription Agreement") with a third-party investor (the "Investor") dated March 18, 2022 and the subsequent filing of a second shelf prospectus supplement (the "Prospectus Supplement") in connection therewith on April 27, 2022, the Company has closed the second issuance (the "Offering") under the Subscription Agreement. The Offering resulted in the issuance of 1,254,396 common shares in the capital of the Company ("Shares") at a price of $1.35 per Share for aggregate gross proceeds of $1,693,434.60. The distribution of the Shares is qualified by the Prospectus Supplement.

On April 13, 2022, the Company completed a reverse stock-split, thereby consolidating all of the Company's issued and outstanding common shares ("Common Shares") on the basis of one (1) post-consolidation Common Share for every fifty (50) pre-consolidation Common Shares. As a result of elimination of partial shares, the share count was adjusted by 13 shares.

On January 22, 2021, the Company was included in the Psychedelics Exchanged Traded Fund (ETF). This EFT includes 17 companies in both US and Canada under ticker PSYK on the Neo Exchange. This helps establish legal authority to invest and trade in cutting edge companies like Mydecine.

On February 1, 2021, the company received conditional approval to list on NEO Exchange and started to trade on the NEO exchange on March 30, 2021.

On February 24, 2021, the company amended its Exclusive Partnership with Applied Pharmaceutical Innovation (API) at the University of Alberta which increased research capabilities and the utilization of artificial intelligence (AI).

On April 7, 2021, the company announced Four Lead Novel Drug Candidates (MYCO-001, MYCO-002, MYCO-003, MYCO-004) and prepared for pre-IND meetings with the FDA and Health Canada to prepare for human Clinical Trials.

On July 13, 2021, Mydecine Innovations Group launched the Mindleap Version 2.0.

On August 18, 2021, the company signed a five-year Master Collaboration Research Agreement with Johns Hopkins University School of Medicine.

On December 10, 2021, Mydecine closed a non-brokered private placement of a convertible secured subordinated debenture (the "Debenture") in the principal amount of $5.5 million, which was issued to an existing shareholder of the Company.

STRATEGIC PLANNING

Spin-out of US cannabis subsidiaries and investments

On October 1, 2021, the Company completed the spin-out of all its cannabis subsidiaries and investments to ALT House Cannabis Inc. ("ALT House") pursuant to the amended and restated arrangement agreement ("Arrangement Agreement") between the Company and ALT House. The purpose of the spin-out into ALT House was, among other things, to remove all of the cannabis assets and liabilities from the Company and permit the Company to comply with listing qualification requirements for senior stock exchanges in the United States and other comparable requirements regarding cannabis assets.

ALT House and the Company do not share a controlling shareholder or shareholder group, as a result this transaction was accounted for in accordance with IFRIC 17 *Distribution of Non-cash Assets to Owners*. The Company recognized the distribution of net assets ($1,762,689) to the Company's shareholders at fair value ($1,210,871) with the difference between that value and the carrying amount of the net assets recorded to the consolidated statements of loss and comprehensive loss. The Company engaged a third- party valuation expert to determine the fair value of all its spun-out cannabis assets.

Mindleap Health Inc.

On September 1, 2022, the Company signed a Letter of Intent ("LOI") to dispose of its Mindleap Health Inc. ("Mindleap") subsidiary. Under the LOI terms, the Company would receive $4,000,000 for its shares of Mindleap and would receive a further $100,000 for post-closing consulting services.

The Mindleap division sale will reduce the Company's operating cash outflows, while allowing the Company to have more operating capital and narrow its focus on its remaining core projects.

Discontinued Operations

The spin-out of the cannabis assets and the Mindleap sale also meets the definition of a discontinued operation per IFRS 5 *Non-current assets held for sale and discontinued Operations.* The results for 2021 and to date in 2022 have been restated to segregate discontinued operations from operating results. As a result, $279,623 has been removed from 2022 expenses. Cash flows from discontinued operations were $230,705 in the first nine months of 2022.

Ongoing Operations

The Company's main focus is novel drug development. The Company's primary target indication at this time is Smoking Cessation. During the next 12 months, the Company intends to advance these projects on the following fronts:

- Using advanced artificial intelligence and machine learning to design and screen drugs of interest.
- Commence animal studies and subsequent human trials.
- Work closely with internationally recognized firms to conduct the clinical trials.
- Continue to develop molecule families MYCO-004, MYCO-005 and MYCO-006.
- Explore new strategic partnerships to leverage the company's ongoing efforts.

SUBSEQUENT EVENTS

On November 1, 2022, the Company issued 946,396 common shares for gross proceeds of $500,000.

Nature and Extent of involvement in Psilocybin, Psilocin, and MDMA

The Company is currently conducting its psilocybin research in Canada at the University of Alberta. The Company also has a number of planned research and clinical trial sites internationally including Johns Hopkins University School of Medicine, Leiden University Medical Center, Macquarie University, The Imperial College of London, and several other prominent Universities throughout the United States and elsewhere.

The Company's expectation on receiving regulatory approval to develop and market psychedelic medicine including but not limited to psilocybin and derivatives of psilocybin.

The Company has been in communication with several clinical research organizations (CRO) on a global level that were chosen for their experience with similar compounds and the geographic support for psychedelic research. The location for the Phase I trial of a psilocybin analog will be chosen late 2022 with plans to dose the first patient in the Q2.

Efforts towards MYCO-001, were pivoted towards MYCO-004, a psilocybin analog. Shortly after a positive pre-IND meeting with the FDA regarding MYCO-001, psilocybin prodrug development reached a point where a lead candidate could be chosen. The investigational psilocybin drug product received FDA approval NIDA grant funded trial at Johns Hopkins University (JHU) on smoking-cessation by Matt Johnson & Al Garcia-Romeu. The Company is donating the drug product for the NIDA trial and plans to have the MYCO-004 Phase II trial at JHU in lieu of the originally planned MYCO-001 trial, as part of the 5-year research collaboration agreement. Additionally, the company is planning to supply MYCO-001 drug substance for multiple studies in the European Union in 2023.

The Company's expectations with respect to future performance, results and terms of strategic initiatives, strategic agreements and supply agreements.

The Company has continued building the patent portfolio based on improving natural psychedelics so they may better fit into the current medical care system. The novel compound development pipeline increased production in Q3 (September) and looks to finish 2022 ahead of schedule. Multiple provisional & PCT applications and realized the publication of Novel Psilocin Analog Compositions And Methods of Synthesizing The Same.

The Company is preparing for licensing relationships after another patent publication, Novel Functional Fungal Compound Formulations And Their Therapeutic Methods Of Use, became available. The Company plans to develop the technology further with a manufacturing partner and will be able to pursue licensing relationships with food, drink, and skincare brands by Q2 of 2023.

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

On December 8, 2020, the Company completed its first commercial harvest at a contract cultivation facility in Jamaica and subsequently completed its first commercial export of legal psilocybin mushrooms to its cGMP site at API.

On December 11, 2020, the Company successfully made its historical first legal import of psilocybin mushrooms from Jamaica to Canada based on its access via a Health Canada Schedule I Dealer's license. This import allows the company to continuously extract purified natural psilocybin and psilocin for controlled research purposes.

On June 16, 2021, Mydecine Innovations announces it has launched its in-silico drug discovery program in conjunction with researchers at the University of Alberta (UofA), using machine learning to rapidly screen hundreds of thousands of molecules without the need to produce them all, allowing the Company to focus on those with the strongest potential.

On August 27, 2021, the Company entered into an agreement with Johns Hopkins University School of Medicine to study the therapeutic use of psychedelics. The pairing with one of the world's most prestigious research institutions was a critical addition to Mydecine's CV, as it continues to cement its first-rate research credentials and deliver on investor expectations.

On October 27, 2021 Mydecine announced that it has successfully synthesized a novel psilocin analogue with improved pharmaceutical properties to further expand its library of patent-pending tryptamines.

On December 6, 2021 Mydecine Files Full Patent Application Covering Multiple Families of Psilocin Analogs.

On February 16th, 2022 Mydecine announced the inclusion of a novel molecule with potentially heart-safe microdose enabling properties in their family of psilocin analogs. The Company has named this group of patent pending molecules MYCO-005.

On July 19th, 2022 Mydecine announced it has successfully synthesized multiple short-acting MDMA analogs. This family of analogs have been specifically designed by experts at Mydecine to have a shorter half life than traditional MDMA. The Company has named this family of novel molecules MYCO-006 and have applied for patent coverage with the World Intellectual Property Organization.

FINANCINGS

On September 16, 2022, the Company completed a private placement and issued 1,754,386 common shares for gross proceeds of $1,000,000.

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On May 27, 2022 the Company completed an overnight offering and issued 2,447,130 common shares for gross proceeds of $2,814,200. The Company paid broker fees of $186,043.

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Prospectus

On March 17, 2022, Mydecine filed it's short-form base shelf prospectus Offering (over the period of 25- months), the following securities: (i) common shares of the Company; (ii) warrants exercisable to acquire other Securities; (iii) units comprised of one or more of the other Securities; (iv) senior and subordinated unsecured debt securities; and (v) subscription receipts exchangeable for other Securities, or any combination thereof having an offer price of up to $100,000,000 in aggregate (or the equivalent thereof, at the date of issue, in any other currency or currencies, as the case may be). The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and as set forth in an accompanying prospectus supplement (“Prospectus Supplement”).

Bought-deal financing

On February 8, 2021, the Company completed a bought-deal financing and issued 34,500,000 Units for gross proceeds of $17,250,000. The Company incurred cash transaction costs of $1,917,096. In addition, the Company incurred non-cash transaction costs of $2,576,710 relating to the issuance of 862,500 Finance Fee Units and 2,415,000 broker warrants. Each Finance Fee Unit consists of one common share and one share purchase warrant (“Finance Warrant”). Each Finance Warrant is exercisable to acquire one additional common share at any time until February 12, 2024, at an exercise price of $0.70 per warrant. The fair value of the Finance Unit was measured using a the Black-Scholes option pricing model with a fair value of $288,960 with the following assumptions: stock price - $0.58; exercise price - $0.70; expected life – 3 years; volatility – 100%; dividend yield – Nil; and risk-free rate – 0.17%. In addition, the Company issued 2,415,000 Broker Warrants which are exercisable in units of one common share and one warrant (“Broker Warrant”). The fair value of the Broker Warrants was measured at $2,287,750. The Broker Warrants were measured using the Monte Carlo option model with the following assumptions: stock price - $0.52; exercise price - $0.70; expected life – 3 years; volatility – 120%; dividend yield – Nil; and risk-free rate - 0.59%.

SELECTED QUARTERLY INFORMATION

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

	Three months ended			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Total revenue	$ -	$ -	$ -	$ 7,493
Expenses	2,726,515	3,143,805	4,744,436	9,030,653
Total assets	3,878,708	6,190,930	5,207,731	7,580,702
Assets held for distribution	-	-	-	-
Total liabilities	7,942,467	8,217,304	8,916,186	7,369,383
Net loss for the period	-3,322,347	-2,512,045	-5,637,886	-15,067,366
Net loss per share, basic and diluted	-0.35	-0.35	-1.20	-1.50

	Three months ended			
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Total revenue	$ -	$ -	$ -	$ 126,616
Expenses	3,824,393	4,294,188	5,004,475	3,764,333
Total assets	8,356,890	13,189,846	7,580,702	9,531,131
Assets held for distribution	1,798,546			
Total liabilities	2,057,517	3,148,490	7,369,383	5,970,432
Net loss	-4,492,414	-8,305,842	-5,156,523	-9,556,427
Net loss per share, basic and diluted	-0.94	-1.75	-1.26	-3.50

On April 22, 2022, the Company consolidated its shares on the basis of one post-Share Consolidation Common Share for each fifty pre-Share Consolidation Common Shares. All per share numbers have been adjusted to reflect this consolidation as if it had happened at the beginning of the reporting period.

Fluctuation in assets is mostly due to cash used operating activities. The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the availability of funding from investors or collaboration partners.

Expenses during quarter ended December 31, 2021 increased due to a $3.1 million non-cash, share-based payments expense. In October, 2021, the Company spun out its CBD business.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there are no proposed transactions, except the disposal of the Mindleap subsidiary as reported in the Strategic Planning section above.

RESULTS OF OPERATIONS – REVENUES

During 2022 and 2021, the Company's principal business focused on the development and commercialization of solutions for treating mental health problems through its psilocybin research and development and it will no longer have ownership interest in the manufacturing or sale of cannabis and CBD products. As a result, the Company has limited revenues.

RESULTS OF OPERATIONS – EXPENSES

For the three months ended September 30, 2022 and 2021

Expenses during quarter ended September 30, 2022 decreased to the comparative relative quarters from the reduction of corporate development expenses with the reduction of marketing spend. Management fees, consulting fees and salaries all decreased in Q3 2022 as the Company reduced staff in an effort to slow its spending in an effort to create a longer runway to see out the completion of its R&D.

The Company recorded net loss from continuing operations of $3,042,724 for the three months ended September 30, 2022 compared to a net loss of $3,470,781 for the corresponding period in 2021. Some of the significant charges to operations are as follows:

- The Company incurred finance fees expense in the amount of $224,207 (2021-$22,995). These fees are related to interest and accretion on the convertible debenture recorded in the 2022 period.

- The Company incurred corporate development expenses in the amount of $Nil (2021 - $341,924). The costs are related to marketing and public relations activities which were significantly reduced in the 2022 time period due to capital restrictions and management's decision to curtail activities that were not generating value for the Company.

- The Company incurred consulting expenses of $904,273 (2021 - $1,396,635), as the Company continued to decrease expenditure to consultants, for capital market strategy, structuring finance deals as well as to consult on the development and commercialization of solutions for treating mental health problems through its psilocybin research.

- Director and management fees were $119,008 (2021 - $454,215). The change is attributed to converting key management employees and recording their compensation as payroll.

- Insurance expense of $617,232 (2021 - $171,704) is attributable to the Company obtaining coverage by executing numerous corporate insurance policies during the period.

- Professional fees of $24,981 (2021 - $154,986), include legal, accounting services, and audit fee. The reduction is the result of the Company's focus on reduced expenses.

- Research and development costs of $467,169 (2021 - $560,531), were reduced as the company has focused its research resources and spending in a more focused manner on drug candidates targeted to support the company's objective of sponsoring human trials, and the reduction of spending within the Mindleap Health subsidiary.

- Salaries of $85,620 (2021 - $311,355), were reduced due to the conversion from contractors to employees.

- During Q3, 2022, the Company canceled its lease related to the research and development facility located in Denver, CO. In exchange for the lease cancellation, the landlord received the laboratory equipment, leasehold improvements and furniture (the Lab Assets) within the research and development facility in "as is" condition, and the security deposit of $9,149. The Company recognized a loss of $316,209 on the termination of the lease and transfer of equipment and prepaid balance to the landlord.

For the nine months ended September 30, 2022 and 2021

The Company recorded net loss from continuing operations of $10,997,597 compared to a net loss of $12,106,595 for the corresponding period in 2021. Some of the significant charges to operations are as follows:

- The Company incurred finance fees expense in the amount of $683,870 (2021-$146,692). During the current period, the Company incurred share issuance costs and recorded interest and accretion on the convertible debenture.

- The Company incurred corporate development expenses in the amount of $141,452 (2021 - $2,639,633). The costs are related to marketing and public relations activities which were significantly reduced in the 2022 time period due to capital restrictions and management's decision to curtail activities that were not generating value for the company.
- The Company incurred consulting expenses of $3,032,041 (2021 - $3,195,631). The spend and nature of activities was approximately the same between the time periods.

- Director and management fees of $349,864 (2020 - $1,286,723). The change is attributed to converting key management employees and recording their compensation as payroll.

- Professional fees of $1,017,614 (2021- $1,492,955) include legal, accounting services, and audit fees. The reduction is the result of the Company's efforts to reduce all expenses and reduced legal expenses.

- Insurance fees of $1,166,106 (2021- $324,927) increased as the Company obtained coverage by executing numerous corporate insurance policies during the period.

- Research and development costs of $2,169,180 (2021- $1,882,361). The increase is attributable to increased spending on expensed software development during the beginning of 2022, combined with an increase in drug development activities focused on drug candidates targeted to support the company's objective of sponsoring human trials.

- Salaries of $1,460,862 (2021 - $545,686) due to the conversion from contractors to employees and expanding the Company's employee roster in the 2022 period.

- The Company incurred a potential obligation to issue additional shares for its Mindleap acquisition, depending on the Company's share price performance. During 2022 the Company recognized an increase of $261,690 in this obligation. Further obligations resulting from this potential obligation terminated in June 2022. The Company is negotiating the remaining obligation.

- In the first nine months of 2021, the Company performed a valuation of the Investment in associate and recorded an impairment of $4,169,616. Also in the first nine months of 2021, losses from Mindleap of $1,597,014 were reported in discontinued operations.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

All significant critical accounting estimates are fully disclosed in Note 3 of the Financial Statements.

LIQUIDITY

The Company is focused on the emerging psychedelic medicines market. As of the date of this MD&A, the Company has received minimal revenues to date. As a result, its ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so.

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

The Company's operations, including its subsidiaries, have not yet generated any significant income or revenues and management expects these results to remain unchanged until/if the company is able to obtain regulatory approval and enter the commercialization phase for its drug candidates. The Company intends to use financing activities to fund operations until income from operations are available to satisfy liquidity needs.

However, if the Company is unable to develop its brand successfully, revenues will be limited. There is no assurance that the Company will successfully grow its brand.

At September 30, 2022, the Company's working capital was $352,620 (December 31, 2021 – $2,274,092) and cash was $88,933 (December 31, 2021 - $1,495,311).

LIQUIDITY AND CAPITAL RESOURCES – CASH FLOW

OPERATING ACTIVITIES

Cash used in continuing operating activities for the nine months ended September 30, 2022 was $6,947,825 as compared to $17,797,068 in the comparative 2021 period. Relative to the comparative period, the Company's management focused activities on research and development activities and reduced marketing and public relations activities and was able to reduce spending on professional services.

Cash used in discontinued operations was $230,705 in the first nine months of 2022 as compared to $1,501,516 in the first nine months of 2021.

INVESTING ACTIVITIES

Equipment purchases made during the nine months ended September 30, 2022 amount to $Nil (2021 - $292,949). Lease payments of $35,466 were incurred during the nine months ended September 30, 2022, compared to $84,462 during the same period in the prior year. The change is due to terminating the lease for the Company's research and development lab facility and negotiation with the landlord resulting in no lease payments being required during the second and third quarters of 2022.

FINANCING ACTIVITIES

Cash provided from financing activities for the nine months ended September 30, 2022 was $5,807,618 (2021 - $19,090,399). During the nine months ended September 30, 2022 the Company gross proceeds of $6,119,301 through the sale of shares. The Company incurred share issuance costs of $384,825 in the nine months ended September 30, 2022. The Company received proceeds from notes payable of $175,462 in the first nine months of 2022 and repaid $102,500 of notes payable during the same period.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. As at September 30, 2022 and December 31, 2021, the Company classifies its Derivative Liability and Contingent Consideration as financial instruments carried at fair value, in the fair value hierarchy.

As at September 30, 2022 and December 31, 2021, carrying amounts of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Cash is held with major financial institutions, from which management believes the risk of loss to be minimal.

(b) Sensitivity Analysis

The Company may hold balances in United States dollars that give rise to foreign exchange risk. Based on management's knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's exposure to liquidity risk is dependent on raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company ensures that sufficient funds are raised from private placements or loans to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts which are available on demand for the Company's business and are not invested in any asset-backed deposits or investments. All of the financial liabilities of the Company are due within 12 months of September 30, 2022, with the exception of long-term portion of lease liabilities and convertible debentures.

The Company has filed a prospectus document which allows it to sell shares to raise funds. Also, the potential sale of the Mindleap subsidiary will provide significant resources for use in the Company.

(d) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest revenue. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets. The Company is not susceptible to interest rate fair value risk on its convertible debentures and notes payable that bear fixed interest rates.

(ii) Foreign Exchange Risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions and balances denominated in currencies other than the Canadian dollar. The Company performed a sensitivity analysis utilizing a 1% factor and concluded currency risk is not significant to the condensed interim consolidated financial statements.

CAPITAL RESOURCES

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

The Company invests all capital that is surplus to its immediate operational needs in cash held in major financial institutions in the United States and Canada. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. A significant change in the Company's approach to capital management in the period ended September 30, 2022, were the changes to the Company's officers and directors. The incoming group is currently pursuing alternatives to finance the Company and to reduce operational expenses by only focusing the Company's core strategy of early- to mid-stage pharmaceutical drug discovery and development. The Company is not subject to externally imposed capital requirements.

Since the Company does not currently generate revenue from operations, extra funding will be needed to maintain current business operations. The company's Mindleap subsidiary is expected to be sold for $4,000,000, which would bring about immediate financial relief. It is probable that the Company will need to issue shares into the market for further funding, even though it is in discussions with a number of potential strategic alliances that could also provide cash to co-develop certain research efforts and aid in financing existing operations.

TRANSACTIONS WITH RELATED PARTIES

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

David "Josh" Bartch	CEO and Director
Damon Michaels	COO and Co-Founder
Robert Roscow	Chief Science Officer, Director, and Co-Founder
Sandford Stein	Chief Compliance Officer
Dr. Rakesh Jetly	Chief Medical Officer
Dean Ditto	Former CFO
John Ross	CFO

The Company incurred the following related party transactions, with associated persons or corporations as follows:

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

Management Compensation *Period Ended September 30, 2022*	Non-cash stock compensation $	Salary, bonus, and consulting fees $	Total compensation $
Director and management fees paid or accrued to the CEO	-	254,850	254,850
Director and management fees paid or accrued to the Former CFO	-	189,200	189,200
Management fees paid or accrued to the CFO of the Company		3,454	3,454
Management fees paid or accrued to the COO	-	254,850	254,850
Management fees paid or accrued to other officers	-	674,550	674,550
Director fees	-	87,500	87,500
Total	**-**	**1,464,404**	**1,464,404**

As of September 30, 2022, accounts payable and accrued liabilities (related to payroll) included amounts due to related parties of $271,500 (2021- $Nil).

Management Compensation *Period Ended September 30, 2021*	Non-cash stock compensation $	Salary, bonus, and consulting fees $	Total compensation $
Director and management fees paid or accrued to the CEO of the Company	-	257,919	257,919
Director and management fees paid or accrued to the Former CFO of the Company	-	121,780	121,780
Management fees paid or accrued to the COO	-	297,649	297,649
Management fees paid or accrued to other officers of the Company	-	513,359	513,3590
Management fees paid to the CEO of MindLeap	-	230,160	230,160
Director and management fees paid to a former director of the Company	-	97,422	97,422
Total	**-**	**1,518,289**	**1,518,289**

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

OFF BALANCE SHEET ARRANGEMENTS

As at September 30, 2022, the Company had no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

The Common Shares, warrants and stock options of the Company which were outstanding as at November 14, 2022, September 30, 2022, and December 31, 2021 were as follows:

	November 14, 2022	**September 30, 2022**	**December 31, 2021**
Preferred Shares	Nil	Nil	Nil
Common Shares	12,099,293	11,152,897	5,218,600
Warrants	4,317,537	4,317,537	4,195,798
Convertible debt	647,057	647,057	647,057
Stock Options	263,863	263,863	263,863
Fully diluted	17,327,750	16,381,354	10,325,318

Subsequent to September 30, 2022 the Company issued 946,396 common shares for cash.

CONTINGENCIES

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

RISKS AND UNCERTAINTIES

Psilocybin industry

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

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

Government Regulation

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

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

Uninsured Risks

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

Conflicts of Interest

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

Negative Operating Cash Flows

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

Reliance on Key Personnel and Advisors

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

Licenses, Patents and Proprietary Rights

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

Competition, Technological Obsolescence

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

Operating History and Expected Losses

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

Risks Related as a Going Concern

As at September 30, 2022, the Company has an accumulated deficit of $136,192,360 (December 31, 2021 - $124,915,140), net loss from continuing operations of $10,997,597 and negative cash from ongoing operating activities of $6,947,825. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements.

Growth Management

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

Uncertainty Regarding Penetration of the Target Market

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

Reliance on Joint Ventures, License Assignors and Other Parties

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

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

Potential Liability

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

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

Legal risks

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

Under the CDSA, person who is in possession of a substance under Schedule III without a prescription is liable to:
(i) a maximum of three years imprisonment if found guilty of an indictable offense; or
(ii) a maximum $1000 fine for the first offense and/or a maximum 6-month term of imprisonment, increasing to a maximum fine of $2000 for each subsequent offense and/or a maximum of 1 year in prison if found guilty of a summary conviction offense.

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

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

Psilocybin industry

Canada

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

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

United States of America

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

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

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

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

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During both of the three-months ended September 30, 2022 and 2021, there has been no significant change in the Company's internal control over financial reporting since the prior year, except changes in management and directors as reported above.

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

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