

10% CONVERTIBLE SECURED SUBORDINATED DEBENTURE

UNLESS PERMITTED UNDER APPLICABLE SECURITIES LEGISLATION IN CANADA,
THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL
10, 2022.

Debenture Certificate Number: DC-2021-01

Principal Amount: \$5,500,000

MYDECINE INNOVATIONS GROUP INC.

(A corporation existing under the laws of Province of British Columbia)

10% CONVERTIBLE SECURED SUBORDINATED DEBENTURE DUE DECEMBER 9, 2024

ARTICLE I INTERPRETATION

Section 1.01 Definitions. In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following meanings:

“**Applicable Securities Laws**” means, collectively, all applicable securities laws (including rules, regulations, policies and instruments enacted thereunder) in the province in which the Holder resides and all applicable rules and policies of the NEO or any other stock exchange on which the Common Shares may be listed from time to time.

“**Business Day**” means any day, other than a Saturday, a Sunday or a day on which major banks are closed for business in the City of Toronto.

“**Capital Reorganization**” has the meaning set forth in Section 7.02(d).

“**Common Shares**” means the common shares in the capital of the Corporation.

“**Common Share Reorganization**” has the meaning set forth in Section 7.02(a).

“**Contractual Right**” means any agreement, right, franchise, licence, authorization, approval, equipment lease or sublease, privilege or permit (a) to which the Corporation is now or hereafter

becomes a party, (b) in which the Corporation now or hereafter has any interest or (c) of which the Corporation is or hereafter becomes a beneficiary;

“**Conversion Notice**” has the meaning set forth in Section 7.01(a).

“**Conversion Price**” means \$0.17, subject to adjustment in accordance with the terms of this Debenture.

“**Convertible Securities**” means securities of the Corporation (other than the Debenture) or of any other issuer convertible into or exchangeable for or otherwise carrying the right to acquire Common Shares.

“**Corporation**” means Mydecine Innovations Group Inc. and includes its legal successors and permitted assigns.

“**Current Market Price**” in respect of a Common Share at any date means the VWAP for the 20 consecutive Trading Days ending on the Trading Day before such date on the NEO or, if the Common Shares are not listed on the NEO, then on such other stock exchange on which the Common Shares are then listed as may be selected by the Directors or, if the Common Shares are not then listed on a stock exchange, on the over-the-counter market; provided that, if there is no market for the Common Shares during all or part of such period during which the Current Market Price thereof would otherwise be determined, the Current Market Price in respect of a Common Share shall in respect of all or part of the period be determined by a nationally recognized accounting firm chosen by the Corporation.

“**Date of Conversion**” has the meaning set forth in Section 7.01(b).

“**Debenture**” means this 10% convertible secured subordinated debenture due on the Maturity Date, together with all Schedules, as it may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time in accordance with the terms hereof.

“**Default**” means any event or circumstance which, with the giving of notice or lapse of time, would constitute an Event of Default.

“**Directors**” means the board of directors of the Corporation or, whenever duly empowered by a resolution of the board of directors of the Corporation, a committee of the board of directors of the Corporation, and reference to approval by the Directors means approval by the directors of the Corporation as a board or approval by any such committee of the board as a committee.

“**Event of Default**” has the meaning set forth in Section 9.01.

“**Holder**” means PIONEER GARAGE LTD. and includes its legal successors and permitted assigns.

“**Interest Payment Date**” means December 9 in each year that the Debenture is outstanding commencing on December 9, 2022.

“Interest Period” means the period commencing on the later of: (a) the Issue Date, and (b) the immediately preceding Interest Payment Date on which interest has been paid and ending on the date immediately preceding the Interest Payment Date in respect of which interest is payable.

“Issue Date” means December 9, 2021.

“Maturity Date” means December 9, 2024.

“NEO” means the Aequitas Neo Exchange or its successor or successors.

“Offered Shares” has the meaning set forth in Section 7.02(b).

“Outstanding Amount” means the sum, at any time, of (i) the unpaid Principal Amount and (ii) accrued and unpaid interest on this Debenture.

“Person” means and includes any individual, partnership, limited partnership, limited liability company, corporation, company, joint venture, trust, unincorporated organization, association or other legal entity or any government or department or agency thereof.

“Prepayment Date” has the meaning set forth in Section 2.04.

“Prepayment Notice” has the meaning set forth in Section 2.04.

“Principal Amount” means \$5,500,000, as such amount may be reduced from time to time in accordance with the terms of the Debenture.

“Rights Offering” has the meaning set forth in Section 7.02(b).

“Security Interest” means a mortgage, encumbrance, pledge, deposit by way of security, charge, floating charge, hypothec, assignment by way of security, security interest, lien (whether statutory, equitable or at common law), title retention agreement, a right of set-off (if created for the purpose of directly or indirectly securing the repayment of money owed), and any other interest in property or assets, howsoever created or arising, that secures payment or performance of an obligation.

“Senior Creditor” and **“Senior Creditors”** has the meaning set forth in Section 6.01.

“Senior Indebtedness” has the meaning set forth in Section 6.01.

“Special Distribution” has the meaning set forth in Section 7.02(c).

“Trading Day” means, with respect to the NEO or other market for securities, any day on which such exchange or market is open for trading or quotation.

“VWAP” means the volume weighted average trading price of the Common Shares on the NEO or such other principal stock exchange on which the Common Shares are trading, calculated by dividing the total value by the total volume of Common Shares traded for the relevant period.

Section 1.02 Extended Meanings. In this Debenture, unless otherwise expressly provided herein or the context otherwise requires:

- (a) words importing the singular number include the plural and vice-versa;
- (b) references to any gender include all genders;
- (c) all references to Sections refer to sections, subsections or clauses of this Debenture;
- (d) words and terms denoting inclusiveness (such as “**include**” or “**includes**” or “**including**”), whether or not so stated, are not limited by and do not imply limitation of their context or the words and phrases that precede or succeed them; and
- (e) references to “**this Debenture**”, “**hereto**”, “**herein**”, “**hereby**”, “**hereunder**”, “**hereof**” and similar expressions refer to this Debenture and not to any particular Article, Section or other subdivision and include all Schedules and amendments hereto, modifications, replacements or restatements hereof.

Section 1.03 Interpretation Not Affected by Headings, etc. The division of this Debenture into Articles, Sections and other subdivisions and the provision of headings and a table of contents are for convenience of reference only and shall not affect the interpretation of this Debenture.

Section 1.04 Statutory References. In this Debenture, unless something in the subject matter or context is inconsistent therewith or unless otherwise provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced, and includes any regulations, rules, policies or directions made thereunder.

Section 1.05 Monetary References. Unless otherwise specified in this Debenture, all references in this Debenture to “Dollars”, “dollars” or the “\$” are to lawful money of Canada.

Section 1.06 Day Not a Business Day. Except as otherwise provided herein, if any day on which an amount is to be determined or any other action is required to be taken under this Debenture is not a Business Day, then such amount shall be determined on or such action shall be taken at or before the requisite time on the next succeeding day that is a Business Day.

Section 1.07 Time Periods. Unless otherwise provided herein, time periods within which a payment is to be made or any other action is required to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends.

ARTICLE II TERMS

Section 2.01 Payment of Principal Amount on Maturity Date. For value received, the Corporation hereby acknowledges itself indebted, and subject to the provisions of this Debenture, promises to pay to the Holder, on the Maturity Date and in the manner set forth in Section 3.03, the outstanding Principal Amount of this Debenture, together with all accrued and unpaid interest.

Section 2.02 Interest.

- (a) This Debenture will bear interest on the outstanding Principal Amount in respect of each Interest Period at the rate of 10% per annum, payable annually in arrears by the Corporation to the Holder on each Interest Payment Date in the manner set forth in Section 3.03.
- (b) The first Interest Payment Date will fall due on December 9, 2022 and will include interest accrued from and including the Issue Date to but excluding December 9, 2022 and the last Interest Payment Date will fall due on the Maturity Date and will include interest accrued from and including the last Interest Payment Date to but excluding the Maturity Date. All other Interest Periods will include interest accrued from and including the last Interest Payment Date to but excluding the current Interest Payment Date.
- (c) For purposes of the *Interest Act* (Canada), whenever interest is computed on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Section 2.03 Conversion. Upon and subject to the provisions of ARTICLE VII, the Holder may, at its option, at any time and from time to time until 5:00 p.m. (Toronto time) on the Business Day immediately preceding the earlier of: (i) the Prepayment Date, and (ii) the Maturity Date, convert all or any portion of the Outstanding Amount into a number of Common Shares equal to the quotient obtained by dividing the Outstanding Amount being converted by the Conversion Price. The Conversion Price is subject to adjustment in accordance with the provisions of ARTICLE VII.

Section 2.04 Prepayment. At any time before the Maturity Date, the Corporation shall have a right to prepay all, but not less than all, of the principal and accrued interest owing under this Debenture, for a total of 100% of the Outstanding Amount, by providing at least ten (10) Business Days’ prior written notice (the “**Prepayment Notice**”) of the date of prepayment (the “**Prepayment Date**”) to the Holder. Notwithstanding the foregoing, within five (5) business days following receipt of the Prepayment Notice, the Holder shall have a right to convert the Outstanding Amount into Convertible Securities at a conversion price equal to the Conversion Price by providing written notice of such intention to the Corporation. For greater certainty, the Holder may exercise its conversion right under Section 2.03 following the date of the Prepayment Notice provided that it is prior to 5:00 p.m. (Toronto time) on the Business Day immediately preceding the Prepayment Date.

ARTICLE III
REGISTRATION, TRANSFER, PAYMENT AND EXCHANGE OF DEBENTURE

Section 3.01 Register. The Corporation shall, at all times while this Debenture is outstanding, cause to be kept by and at the principal office of the Corporation a register in which shall be entered the name and address of the Holder and particulars of this Debenture. The register referred to in Section 3.01 shall at all reasonable times be open for inspection by the Holder.

Section 3.02 Transfer. This Debenture (or any portion thereof) may not be assigned, pledged as security or otherwise transferred by the Holder to any other Person without the prior written consent of the Corporation.

Section 3.03 Payment. Any payment or distribution to be made to the Holder by the Corporation under the terms of this Debenture, whether for Principal Amount, interest or otherwise, shall be made:

- (a) by certified cheque, bank draft or wire transfer in immediately available funds to the Holder's designated account or at the address of the Holder as set forth in Section 10.01; and
- (b) free and clear of, and without deduction or withholding for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, imposed by the Government of Canada (or any of the provinces and territories thereof).

Section 3.04 Mutilation, Loss, Theft or Destruction. If this Debenture becomes mutilated or is lost, stolen or destroyed, the Corporation will issue and deliver to the Holder a replacement Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for such Debenture. In the case of loss, theft or destruction, the Holder shall furnish to the Corporation such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to the Corporation, in its discretion, and shall also furnish an indemnity and surety bond satisfactory to the Corporation. The Holder will pay all reasonable expenses incidental to the issuance of any replacement Debenture.

ARTICLE IV
SECURITY FOR INDEBTEDNESS

Section 4.01 The Security Interests created herein shall take effect forthwith upon the execution hereof and shall secure the Outstanding Amount.

Section 4.02 The Security Interests shall continue to secure the Outstanding Amount and such indebtedness shall continue regardless of whether the Holder grants any extensions or renewals of all such indebtedness described herein, whether or not the Corporation executes any extension or renewal agreements.

ARTICLE V SECURITY INTEREST

Section 5.01 As general and continuing security for the full and timely payment of the Outstanding Amount, and further, as general and continuing security for the performance and observance of the obligations on the part of the Corporation to the Holder, the Corporation hereby grants, assigns, transfers, mortgages, pledges and charges to and in favour of the Holder a Security Interest in all its undertaking and all of its personal property and assets for the time being, both present and future, without restricting the generality of the foregoing, any personal, moveable and immovable property, of whatsoever nature and kind and wheresoever situate, both present and future, and, without in any way limiting the generality of the foregoing, its uncalled capital and all present and future incomes, monies, sources of money, rights, powers, privileges, franchises, easements, agreements, leases, shares, bonds, debentures, book debts, accounts, choses in actions, securities and other property and things of value, tangible or intangible, legal or equitable of which the Corporation may be possessed or entitled to or which may at any time hereafter be acquired by the Corporation (all of such undertaking, property, assets and collateral as described in this Section 5.01 herein collectively called the “**Secured Property**”). For greater certainty, the Corporation has created a Security Interest in all of the Corporation’s present and after-acquired property to the Holder pursuant to this ARTICLE V.

Section 5.02 Despite any other provision of this Debenture, the last day of the term of any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Corporation is hereby and shall be excepted out of the Security Interest, but the Corporation shall hold the last day in trust for the Holder and shall assign it to any person acquiring the term or that part of the term that is mortgaged or charged in the course of any enforcement of the Security Interest or realization of the Secured Property.

Section 5.03 Despite any other provision of this Debenture, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Corporation shall hold its interest in each such Contractual Right in trust for the Holder, and shall, after the Security Interest shall have become enforceable, and at the Holder’s written request, specifically assign each such Contractual Right to the Holder. The Corporation agrees that it shall, upon the request of the Holder, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.

Section 5.04 Nothing contained in this ARTICLE V, or elsewhere in this Debenture, is intended to or shall impair the obligation of the Corporation, which, , subject to otherwise being satisfied in accordance with ARTICLE VII, is absolute and unconditional, to pay to the Holder the Outstanding Amount thereon to the Holder as and when the same shall become due and payable in accordance with the terms hereof, or affect the relative rights of the Holder, nor shall anything herein prevent the Holder hereof from exercising all remedies otherwise permitted by applicable law or equity under this Debenture.

Section 5.05 All rights granted to the Holder pursuant to this ARTICLE V are subject to (i) the subordination terms contained in ARTICLE VI and (ii) any agreements between the Holder and any Senior Creditor which may restrict these rights.

ARTICLE VI SUBORDINATION

Section 6.01 The indebtedness evidenced by this Debenture, including the principal hereof and interest hereon will be subordinate, subject and junior in right of payment to the prior payment in full of the principal of and interest on indebtedness of the Corporation (the "**Senior Indebtedness**") to any other creditor to which the Corporation has granted, or may in the future grant, a Security Interest in favour of (collectively, the "**Senior Creditors**" and each a "**Senior Creditor**") providing financing to the Corporation from time to time and the Holder, by its acceptance hereof, covenants and agrees and will be deemed to have covenanted and agreed to such subordination and will be bound by the provisions of this ARTICLE VI. The Holder hereby covenants to enter into any subordination and postponement agreement required by any Senior Creditor and to confirm its subordination in writing upon written request. The Corporation agrees to hold the Holder's covenant to subordinate in this Section 6.01 in trust for any Senior Creditor in the event that this Debenture is sold, transferred or assigned by the Holder, such that the any subsequent holder of the Debenture is bound by this Section 6.01. Each Senior Creditor shall be entitled enforce the covenant of subordination directly against the Holder of the Debenture. The Holder by its acceptance of this Debenture authorizes and directs the Corporation on its behalf to take such action as may be necessary or appropriate to effect the subordination as provided in this Section 6.01 and appoints the Corporation its attorney-in-fact for any and all such purposes.

Section 6.02 Upon any distribution of assets of the Corporation on a dissolution or total liquidation or reorganization or insolvency or other marshalling of assets of the Corporation each Senior Creditor will be entitled to receive payment to satisfy in full the Senior Indebtedness before the Holder is entitled to receive any payment hereunder.

ARTICLE VII CONVERSION OF DEBENTURE

Section 7.01 Exercise of Conversion Right.

- (a) The Holder may exercise the conversion right by completing and signing the notice of conversion ("**Conversion Notice**") substantially in the form set out in Schedule A to this Debenture and delivering the Conversion Notice and this Debenture to the Corporation.
- (b) On the date that the Corporation has received the Conversion Notice and the surrendered Debenture (the "**Date of Conversion**"), the Holder will be entitled to be entered in the books of the Corporation as the holder of the number of Common Shares into which the Outstanding Amount is converted and, as soon as

practicable thereafter, the Corporation will deliver or cause to be delivered to the Holder a certificate or certificates (or such other instruments) for the number of Common Shares deliverable upon the exercise of the conversion right.

- (c) The Corporation will not be required to issue fractional Common Shares upon conversion of this Debenture. Any fractional Common Shares will be rounded down to the nearest whole number.
- (d) If the Date of Conversion is prior to April 10, 2022, the certificates representing Common Share issued upon conversion of this Debenture will bear the following legend:

“UNLESS PERMITTED UNDER APPLICABLE SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 10, 2022.”

- (e) If less than all of the Outstanding Amount of this Debenture is converted upon exercise of the conversion right, the Holder shall be entitled to receive a new Debenture in an aggregate Principal Amount representing the balance of the Principal Amount not converted.
- (f) The conversion of all or any portion of the Outstanding Amount into Common Shares in accordance with the provisions of this Section 7.01 will constitute a full settlement of the debt obligation to the extent of the Outstanding Amount so converted in consideration for the issuance by the Corporation of such Common Shares.

Section 7.02 Adjustments.

- (a) If, at any time prior to the Maturity Date, the Corporation shall:
 - (i) subdivide, redivide or change its then outstanding Common Shares into a greater number of Common Shares;
 - (ii) consolidate, reduce or combine its then outstanding Common Shares into a lesser number of Common Shares; or
 - (iii) issue Common Shares or Convertible Securities to all or substantially all of the holders of Common Shares as a stock dividend or other distribution,

(any such event being referred to as a “**Common Share Reorganization**”), the Conversion Price shall be adjusted, effective immediately after the effective date of a Common Share Reorganization referred to in Section 7.02(a)(i) or Section 7.02(a)(ii) or the record date at which holders of Common Shares are determined for purposes of the Common Share Reorganization referred to in Section 7.02(a)(iii), by multiplying the Conversion Price in effect immediately prior to such effective date or record date, as the case may be, by a fraction of which:

- (A) the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such Common Share Reorganization; and
- (B) the denominator shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization (including, in the case of a distribution of Convertible Securities, the number of Common Shares that would have been outstanding if such Convertible Securities had been exchanged for or converted into Common Shares on such date).

To the extent that any adjustment in the Conversion Price occurs pursuant to Section 7.02(a)(iii) as a result of the distribution of Convertible Securities, the Conversion Price shall be readjusted after the expiration of any relevant exchange or conversion right to the number of Common Shares which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiration.

- (b) If, at any time prior to the Maturity Date, the Corporation fixes a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares pursuant to which those holders are entitled to subscribe for, purchase or otherwise acquire Common Shares or Convertible Securities within a period of not more than 45 days from such record date at a price per share (or at a conversion price per share) of less than 95% of the Current Market Price on such record date (any of such issuance being referred to as a “**Rights Offering**” and the Common Shares that may be acquired under the Rights Offering, or upon exchange or conversion of Convertible Securities acquired under the Rights Offering, being referred to as the “**Offered Shares**”), the Conversion Price shall be adjusted, effective immediately after such record date, by multiplying the Conversion Price in effect on such record date by a fraction:
 - (i) the numerator of which shall be the sum of:
 - (A) the total number of Common Shares outstanding as of the record date for the Rights Offering; and
 - (B) a number equal to the quotient obtained by dividing the aggregate price of the Offered Shares (consisting of the product of either (1) the number of Offered Shares and the subscription or purchase price for each Offered Share, or (2) the maximum number of Offered Shares for or into which Convertible Securities may be exchanged or converted and the conversion price for each Offered Share) by the Current Market Price of the Common Shares on the record date; and
 - (ii) the denominator of which shall be the number of Common Shares which would be outstanding after giving effect to the Rights Offering (assuming

the exercise of all of the rights, options or warrants under the Rights Offering and assuming the exchange or conversion into Common Shares of all Convertible Securities issued upon exercise of such rights, options or warrants, if any).

To the extent that any adjustment in the Conversion Price occurs pursuant to Section 7.02(b) as a result of the Corporation fixing a record date for a Rights Offering, the Conversion Price shall be readjusted based on the number of Offered Shares (or Convertible Securities that are convertible into Offered Shares) actually issued and delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any other event arising after such record date. Any Offered Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any computation made pursuant to Section 7.02(b).

- (c) If, at any time prior to the Maturity Date, the Corporation issues or distributes to all or substantially all the holders of its outstanding Common Shares:
- (i) shares of the Corporation of any class other than Common Shares;
 - (ii) rights, options or warrants (excluding rights, options or warrants subject to Section 7.02(b));
 - (iii) evidences of indebtedness; or
 - (iv) any other cash, securities or other property or assets;

and such issuance or distribution does not result in an adjustment pursuant to Section 7.02(a) or Section 7.02(b) (any such event being referred to as a “**Special Distribution**”), the Conversion Price shall be adjusted, effective immediately after the record date on which the holders of Common Shares are determined for purposes of the Special Distribution, by multiplying the Conversion Price in effect on the record date by a fraction:

- (A) the numerator of which shall be the difference between: (1) the product of the number of Common Shares outstanding on the record date and the Current Market Price on such record date, and (2) the aggregate fair market value, as determined by the Directors acting reasonably and in good faith (whose determination shall be conclusive absent manifest error) of the shares, rights, options, warrants, evidences of indebtedness or other assets issued or distributed in the Special Distribution; and
- (B) the denominator of which shall be the product of the number of Common Shares outstanding on the record date and the Current Market Price on such record date.

To the extent that any adjustment in the Conversion Price occurs pursuant to Section 7.02(c) as a result of the Corporation fixing a record date for a Special Distribution, the Conversion Price shall be readjusted based on the shares, rights, options, warrants, evidences of indebtedness or other assets actually distributed or the number of Common Shares or Convertible Securities actually delivered upon the exercise of rights, options and warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any other event arising after such record date. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any computation made pursuant to Section 7.02(c).

- (d) If, at any time prior to the Maturity Date, there is any:
- (i) reclassification or redesignation of the Common Shares or a change, exchange or conversion of the Common Shares into or for other shares or securities or property or any other capital reorganization (other than a Common Share Reorganization);
 - (ii) a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other Person which results in the cancellation, reclassification or redesignation of the Common Shares or a change, exchange or conversion of the Common Shares into or for other shares or securities or property; or
 - (iii) the transfer of all or substantially all the property and assets of the Corporation to another Person (other than a directly or indirectly wholly-owned subsidiary of the Corporation);

(any of such events being herein referred to as “**Capital Reorganization**”), the Holder shall be entitled to receive and shall accept, upon the conversion of this Debenture at any time after the effective date of the Capital Reorganization, in lieu of the number of Common Shares to which the Holder was theretofore entitled upon such conversion, the kind and aggregate number of shares or other securities or property resulting from such Capital Reorganization that the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Common Shares to which the Holder was theretofore entitled upon conversion. If determined appropriate by action of the Directors, acting reasonably and in good faith, appropriate adjustments shall be made as a result of any such Capital Reorganization in the application of the provisions of this Debenture with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Debenture shall thereafter correspondingly be made applicable, as nearly as may be reasonably possible, with respect to any shares, other securities or property to which the Holder is entitled on the conversion of the Debenture.

Section 7.03 Adjustment Rules and Procedures. The following rules and procedures shall be applicable to adjustments made pursuant to Section 7.02:

- (a) The adjustments provided in Section 7.02 shall be cumulative and such adjustments shall be made successively whenever an event referred to Section 7.02 shall occur. No adjustment of the Conversion Price shall be required under Section 7.02(a), Section 7.02(b) or Section 7.02(c) unless such adjustment would result in a change of at least 1/10% in the Conversion Price then in effect; provided that, any adjustments which by reason of this Section 7.03(a) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (b) No adjustment shall be made pursuant to Section 7.02 if the issue of Common Shares, rights, options, warrants or Convertible Securities is being made pursuant to this Debenture or any stock option, stock purchase, restricted share plan or other equity compensation plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation or to satisfy the terms of existing securities or other instruments issued and outstanding as at the Issue Date.
- (c) No adjustment shall be made pursuant to Section 7.02 if the Holder is entitled to participate in any event described in Section 7.02 on the same terms *mutatis mutandi* as if the Holder had converted the entire Outstanding Amount of this Debenture prior to or on the effective date or record date, as the case may be, of such event, subject to the prior consent of the NEO or any other stock exchange on which the Corporation's securities are then listed.
- (d) If the Corporation, after the date hereof, shall take any action affecting the Common Shares other than the actions described in Section 7.02 which, in the opinion of the Directors, acting reasonably, would materially affect the conversion rights of the Holder, the Conversion Price shall be adjusted in such manner, at such time and by such action of the Directors, in their discretion as they may reasonably determine to be equitable to the Holder and the Corporation in such circumstances; provided that, no such action shall be taken unless and until the Holder has been provided with notice of such proposed action and the consequences thereof and subject to the prior consent of the NEO or any other exchange on which the Corporation's securities are then listed.
- (e) If the Corporation shall set a record date to determine holders of Common Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment to the Conversion Price shall be required by reason of the setting of such record date.
- (f) In any case in which Section 7.02 shall require that an adjustment shall be made effective immediately after a record date for an event referred to in Section 7.02, the Corporation may defer, until the occurrence of such event: (A) issuing to the Holder, to the extent that the Debenture is converted after such record date and

before the occurrence of such event, the additional Common Shares or other securities issuable upon such conversion by reason of the adjustment required by such event, and (B) delivering to such Holder any distribution declared with respect to such additional Common Shares or other securities after such conversion and before such event; provided, however that, upon request by the Holder, the Corporation shall deliver to such Holder an appropriate instrument evidencing the right of such Holder upon the occurrence of the event requiring the adjustment to the additional Common Shares or other securities issuable upon such conversion by reason of the adjustment and to any distributions declared with respect to such additional Common Shares or other securities after such conversion and before such event.

- (g) At least 10 days prior to the earlier of the record date or effective date of any event which requires an adjustment as provided under Section 7.02, the Corporation shall deliver to the Holder a certificate specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. If the notice has been provided and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, deliver to the Holder a certificate providing the calculation of the adjustment.
- (h) In the event of any question relating to the adjustments provided for in Section 7.02, such question shall be conclusively determined by a nationally recognized accounting firm chosen by the Corporation and such determination shall be binding upon the Corporation and the Holder, absent manifest error.

ARTICLE VIII COVENANTS OF THE CORPORATION

Section 8.01 Covenants. The Corporation covenants and agrees that so long as the Debenture remains outstanding:

- (a) The Corporation shall pay the Principal Amount, interest and all other amounts payable by the Corporation under the terms of this Debenture promptly when due on the dates and in the manner specified in this Debenture.
- (b) The Corporation will use commercially reasonable efforts to maintain its corporate existence and qualify and remain qualified to carry on business in each jurisdiction where the character of the properties owned by it or the nature of the business transacted by it makes such qualification necessary.
- (c) The Corporation will give notice in writing to the Holder of the occurrence of any Default or Event of Default that is continuing forthwith upon becoming aware thereof.

- (d) The Corporation will use commercially reasonable efforts to maintain: (i) the listing of the Common Shares on the NEO, and (ii) the Corporation's status as a reporting issuer not in default under Applicable Securities Laws; provided that, nothing in this 5.01(d) shall prevent the Corporation from completing any transaction which would result in the Common Shares ceasing to be listed on the NEO or the Corporation ceasing to be a reporting issuer under Applicable Securities Laws so long as the holders of securities of the Corporation receive securities of an entity which is listed on a recognized Canadian or U.S. stock exchange or cash or the holders of securities of the Corporation have approved the transaction in accordance with the requirements of applicable corporate law and Applicable Securities Laws.
- (e) The Corporation covenants that it will at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or otherwise becomes limited) for the purpose of issue and delivery, and shall issue to the Holder, such number of Common Shares as shall then be issuable under the terms of this Debenture upon conversion as provided in Section 2.03 and ARTICLE VII, and such Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable shares in the capital of the Corporation.
- (f) For purposes of the foregoing, the sale, conveyance, transfer or lease (in a single transaction or series of transactions) of the properties or assets of one or more of the subsidiaries of the Corporation (other than to the Corporation or another direct or indirect wholly-owned subsidiary of the Corporation) which, if such properties or assets were directly owned by the Corporation, would constitute all or substantially all of the properties and assets of the Corporation on a consolidated basis, shall be deemed to be a sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Corporation.

ARTICLE IX DEFAULT AND REMEDIES

Section 9.01 Events of Default. Each of the following events shall be an Event of Default under this Debenture:

- (a) the Corporation fails to pay the Principal Amount when due;
- (b) the Corporation fails to pay interest on the Debenture when due and any such failure shall have continued for a period of 30 days;
- (c) the Corporation fails to deliver, when due, all Common Shares, cash or other consideration, deliverable upon conversion of the Debenture in accordance with ARTICLE VII and any such failure shall have continued for a period of 30 days;
- (d) the Corporation fails to perform or observe any material covenant, agreement or condition in this Debenture for a period of 30 days after receipt by the

Corporation of a notice in writing from the Holder specifying such default and requiring the Corporation to remedy such default;

- (e) proceedings are commenced for the winding-up, liquidation or dissolution of the Corporation, a decree or order of a court of competent jurisdiction is entered adjudging the Corporation a bankrupt or insolvent, or an application seeking reorganization, arrangement or adjustment of or in respect of the Corporation is approved, under applicable law relating to bankruptcy, insolvency or relief of debtors, unless such proceedings, decrees, orders or approvals are actively and diligently contested by the Corporation in good faith and are dismissed or stayed within 60 days of commencement;
- (f) the Corporation makes an assignment for the benefit of its creditors, or petitions or applies to any court or tribunal for the appointment of a receiver or trustee for itself or any substantial part of its property, or commences for itself or acquiesces in any proceeding under any bankruptcy, insolvency, reorganization, arrangement or readjustment of debt law or statute or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its property, or suffers any such receivership or trusteeship and allows such receivership or trusteeship to remain undischarged or unstayed for 60 days; and
- (g) a resolution is passed for the dissolution, winding-up or liquidation of the Corporation.

Section 9.02 Acceleration. Upon the occurrence of an Event of Default and at any time thereafter during the continuance of the Event of Default, the Holder may, at its option, by written notice to the Corporation, declare the entire unpaid Principal Amount of this Debenture outstanding at that time, together with all accrued and unpaid interest and all other amounts payable under this Debenture, immediately due and payable and exercise any and all of its rights, powers and remedies available under this Debenture or at law or in equity; provided, however that, if an Event of Default described in Section 9.01(e) or Section 9.01(f) shall occur, the entire unpaid Outstanding Amount shall become immediately due and payable without any notice, declaration or other act on the part of the Holder.

Section 9.03 Remedies Not Exclusive. No right, power or remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other right, power or remedy and each and every right, power and remedy shall, to the extent permitted by applicable law, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. The Holder shall have the power to waive any Event of Default; provided that, such waiver is obtained in accordance with Section 10.03 and such waiver shall not constitute a waiver of any other or subsequent Event of Default. No delay or omission of the Holder in exercising any right, power or remedy accruing upon the occurrence of an Event of Default shall impair any such right, power or remedy or shall be construed as a waiver of such Event of Default or acquiescence in the Event of Default. Every right, power and remedy given to the Holder by this Debenture or under applicable law may be exercised from time to time and as often as may be deemed expedient by the Holder.

**ARTICLE X
GENERAL**

Section 10.01 Notice. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.01).

in the case of the Corporation, to:

Mydecine Innovations Group Inc.
Suite 810 - 789 West Pender Street
Vancouver, British Columbia V6C 1H2

Attention: Joshua Bartch, President & Chief Executive Officer
Email: jbartch@mydecineinc.com

with a copy to (which copy shall not constitute notice hereunder):

Miller Thomson LLP
40 King St W Suite 5800
Toronto, Ontario M5H 4A9

Attention: Lawrence Wilder
Email: lwilder@millerthomson.com

in the case of the Holder, to:

Pioneer Garage Ltd

Attention: _____
Email: _____

Section 10.02 Amendment. This Debenture may not be amended or otherwise modified except by an instrument in writing executed by the Corporation and the Holder. Any such amendment

shall be subject to all required approvals of the NEO, any other stock exchange on which the Common Shares are listed and any applicable securities regulatory authorities.

Section 10.03 Waiver. The Holder shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers or remedies unless such waiver shall be in writing and executed by an authorized officer of the Holder. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Holder of any right, power or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power or remedy which the Holder would otherwise have on any future occasion, whether similar in kind or otherwise.

Section 10.04 Release and Discharge. Upon: (a) payment of the entire Principal Amount outstanding under the terms of this Debenture, or (b) issuance and delivery of Common Shares upon conversion of the entire Principal Amount outstanding under the terms of this Debenture, together, in either circumstance, with payment of any other amounts due and payable to the Holder under the terms of this Debenture, this Debenture shall no longer be considered outstanding and the Corporation shall be deemed to have discharged all of its obligations under this Debenture.

Section 10.05 Enurement and Successors. This Debenture enures to the benefit of the Holder and its successors and permitted assigns and will be binding upon the Corporation and its successors and permitted assigns.

Section 10.06 Severability. If any term or provision of this Debenture is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Debenture or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 10.07 Governing Law and Submission to Jurisdiction. This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.


Section 10.08 Further Assurances. The Corporation shall promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such further acts, documents and things as the Holder may reasonably require from time to time for the purpose of giving effect to this Debenture and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Debenture.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Mydecine Innovations Group Inc. has caused this Debenture to be duly executed by a duly authorized officer.

DATED this 9th day of December, 2021.

MYDECINE INNOVATIONS GROUP INC.

By:  _____

Name: Joshua Bartch

Title: President & Chief Executive Officer

SCHEDULE A
CONVERSION NOTICE

TO: MYDECINE INNOVATIONS GROUP INC.

The undersigned registered holder (the “**Holder**”) of the attached 10% Convertible Secured Subordinated Debenture (the “**Debenture**”) hereby elects to convert \$ _____ of the Outstanding Amount into _____ Common Shares of the Corporation in accordance with the terms of the Debenture.

Capitalized terms used in this Conversion Notice, have the meanings given to them in the Debenture.

The Holder irrevocably directs that such Common Shares be issued in the name of the Holder and that certificates representing such Common Shares be delivered and registered as follows:

Name: _____

Address: _____

City, Province and Postal Code: _____

DATED the _____ day of _____, 20____.

PIONEER GARAGE LTD.

By: _____

Name:

Title: