MYDECINE INNOVATIONS GROUP INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED

MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

This management's discussion and analysis (MD&A) provides an analysis of the consolidated 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 months ended March 31, 2024, compared to the three months ended March 31, 2023. 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, 2023, and should be read in conjunction with the consolidated financial statements and the accompanying notes. Our consolidated financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our consolidated financial situation.

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, 2023 and 2022, together with the notes thereto, and unaudited interim financial statements for the three months ended March 31, 2024, together with the notes thereto.

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.

This MD&A was prepared by the management of the Company and was approved by the Board of Directors on July 5, 2024.

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

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.sedarplus.ca 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 traded on the AQSE exchange (AQSE: MIVG), Canadian Securities Exchange (CSE: MYCO), OTC exchange (OTC:MYCOF) and on the Frankfurt stock exchange (FSE:0NFA).

The Company is a biotechnology business creating 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 drug development. The Company is working with some of the top experts to develop its drugs, in the expectation that the Company's success could eventually give patients access to safer and more effective treatment options. In addition, Mydecine's strategy focuses on developing novel compounds with based on generation one psychedelic compounds such as MDMA, with increased safety, scalability and therapeutic potential through its development initiatives with scientific and regulatory expertise. This is done to advance the field of psychedelic medicine. Mydecine was established in 2020. Its registered and head office is located in Canada.

The Company conducts research and development on novel second generation compounds in Canada with a focus on developing and commercializing psychedelic-inspired regulated medicines. The company has developed and patented numerous families of second-generation novel compounds which are intended to have improved characteristics when compared to the first-generation psilocybin or MDMA compounds. The company has two lead MDMA candidates which it believes shows improvements over the first-generation drugs currently under development. 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.

As reported by Spherical Insights LLP, the Global Psychedelic Drugs Market Size is to Grow from USD 2.9 Billion in 2023 to USD 8.7 Billion by 2033, at a Compound Annual Growth Rate (CAGR) of 11.61% during the projected period.

The psilocybin segment is expected to hold the largest share of the global psychedelic drugs market during the forecast period.

Based on drug type, the global psychedelic drugs market is divided into psilocybin, LSD, MDMA, DMT and ketamine. Among these, the psilocybin segment is expected to hold the largest share of the global psychedelic drugs market during the forecast period. Psilocybin, a naturally occurring substance used to treat mental health issues, is expected to grow due to the construction of research centers and increased product approvals.

The depressive disorders segment is expected to hold the largest share of the global psychedelic drugs market during the estimated timeframe.
On the basis of the application, the global psychedelic drugs market is divided into hospital pharmacies, retail pharmacies and online pharmacies. Among these, the hospital pharmacies segment is expected to hold the largest share of the global psychedelic drugs market during the estimated timeframe. Due to factors such as depression, affecting 3.8% of the global population, is boosting market growth, with over 280 million individuals affected, according to a 2023 WHO report.

The hospital pharmacies segment is expected to hold the largest share of the global psychedelic drugs market during the anticipated period.
On the basis of the distribution channel, the global psychedelic drugs market is divided into hospital pharmacies, retail pharmacies and online pharmacies. Among these, the hospital pharmacies segment is expected to hold the largest share of the global psychedelic drugs market during the anticipated period. The growth of psychedelic medications as mental health treatments is driven by increased understanding, acceptance, and collaboration among researchers, pharmacists, and medical professionals, which promotes market expansion and assimilation into conventional medical procedures.

North America is anticipated to hold the largest share of the global psychedelic drugs market over the predicted timeframe.
North America is anticipated to hold the largest share of the global psychedelic drugs market over the predicted timeframe. The United States Food and Drug Administration's authorization of complex pharmaceutical fusion portfolios developed from psychedelic substances has boosted the North American sector. The presence of key players in this sector in this region, as well as increased R&D investments, are also helping to drive market expansion. Furthermore, the area's sophisticated healthcare system and research ecology create an ideal environment for the usage and development of psychedelic chemicals.

Asia-Pacific is expected to grow at the fastest rate throughout the forecast period. Sales of psychedelic drugs approved by the FDA have stimulated more study around the country. The country's rising trend of large pharmaceutical companies creating ketamine-based psychedelic drugs and cancer treatments is expected to pave the path for the medicinal use of these substances.

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 was conducting studies on compounds derived from psilocybin, psilocin, and MDMA. On February 14, 2024, the Company concluded work to date with API and the parties agreed that the balance owed would be paid on or before August 30, 2024. On March 12, 2024, the parties agreed to a new two-year study with a budget of $4.9 million in year one and $2.0 million in year two.

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

The Canadian and United States federal governments regulate drugs through the *Controlled Drugs and Substances Act* (Canada) (the "CDSA") and the Controlled Substances Act (21 U.S.C. § 811), respectively, which place controlled substances in a schedule. Under the CDSA, psilocybin is currently a Schedule III drug. CDSA prohibits the possession of a Schedule III drug absent authorization under the CDSA or a related regulation (either via a license or an authorized exemption). It is a criminal offence to possess substances under the CDSA without a prescription. Health Canada has not approved psilocybin as a drug. It is anticipated that all of the Company's psilocybin activities in Canada will be carried out in partnership with Applied Pharmaceutical Innovation, major hospitals or major institutions under licenses held by and exemptions afforded to such partners to legally handle and administer psilocybin.

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

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

For these reasons, the Company may be: (a) subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other U.S. and Canadian authorities; (b) susceptible to regulatory changes or other changes in law; and (c) subject to risks related to drug development, among other things.

In the fourth quarter of 2023, the Company announced that it had spent the past few months diligently working to simplify its business model, streamline workflow and processes, and reduce burn rate while increasing output and efficiencies in order to ensure the Company's future success. Through this process, the Company made a number of strategic decisions that it believes could benefit shareholders and increase the probability of long-term success. Through this transition, the Company has become a more focused preclinical biopharmaceutical platform whose primary focus is the development of novel psychedelic compounds as a model or starting point. The Company believes that to have a truly successful drug for shareholders and patients, several structural changes and improvements must be made to the first-generation MDMA and Psilocybin/Psilocin compounds, including but not limited to faster onset, increased safety, significantly reduced half-life, elimination of certain undesirable side effects, and selective receptor binding, all while maintaining the high efficacy rates observed in generation one psychedelic compounds.

The exclusive partnership between the Company and Applied Pharmaceutical Innovation, which houses the company's drug discovery and development efforts at the University of Alberta, has been maintained and strengthened. The University of Alberta consistently rates in the top five in the world for AI drug development. As part of the Canadian Critical Drug Initiative, the Canadian Government recently awarded Applied Pharmaceutical Innovation (API) a grant of CAD $80.5 million. This funding will be used to enhance the 72,000-square-foot Biotechnology Business Development Centre and build a new 40,000 square-foot, state-of-the-art manufacturing center with the capacity to produce 70 million drug doses per year. Through its partnership with API, the Company is able to effectively leverage API's and the University of Alberta's world-class facilities and human resources, while retaining full custody of all intellectual property, inventions, and research produced. Channeling itsMYCO-005, MYCO-006, and MYCO-007 families of novel, patent-pending second-generation MDMA and Psilocybin analogs through API, the Company believes it has the best chance to achieve its objective of enhancing the global pharmaceutical landscape with these new molecules. This confidence is supported by positive pre-clinical and animal data compiled by the Company.

On February 7, 2024, the Company announced the issuance of two Notice of Allowances by the United States Patent and Trademark Office (USPTO) for compounds from the Company's MYCO-005 and MYCO-006 families.

MYCO-005 Notice of Allowance: Aza-Substituted Psilocin Analogs and Methods of Synthesising the Same Unique Compound
Mydecine received its second Notice of Allowance from the USPTO, on one of its novel compounds for Composition of Matter that is currently under development. The molecule is from the MYCO-005 family of psilocin analogs, and it is the second in this family to receive a Notice of Allowance. Additional molecules in this family are still under review at the USPTO. This Notice of Allowance continues to solidify Mydecine's intellectual property portfolio protection. The compound has been under development since 2020 and the Company is happy with the further acknowledgment of the novelty of its compounds.

MYCO-006 Notice of Allowance: Advancements in MDMA Analog Development
Mydecine received Notice of Allowance from the USPTO, on one of its novel compounds under development. The molecule is from the MYCO-006 family of MDMA analogs and is believed to carry an increased safety profile by eliminating binding affinity at certain receptors as well as carry a shorter half-life. Additional molecules in this family

are still under review at the USPTO. This Notice of Allowance continues to solidify Mydecine's intellectual property portfolio protection. The compound has been under development since 2021 and the Company is pleased with the further acknowledgment of the novelty of its compounds.

This is the third Notice of Allowance covering the Composition of Matter for Mydecine's second-generation psychedelic compounds from the USPTO, the Company expects numerous further patent grants in the near term. In addition, the Company has filed in several international jurisdictions for each covered compound.

CHANGES TO BOARD OF DIRECTORS AND MANAGEMENT

On April 3, 2023, the Company announced that Todd Heinzl had resigned from the Board and that Neil Stevenson-Moore had been appointed as an independent director and audit committee member. On December 22, 2023, Mr. Stevenson-Moore resigned from the Board.

On May 29, 2023, Todd Heinzl rejoined the Board and on July 21, 2023, he resigned. Also on July 21, 2023, John Ross assumed the responsibilities of the Corporate Secretary.

EXECUTIVE HIGHLIGHTS

On February 22, 2024, the Company issued 2,618,543 common shares with a fair value of $32,732 and settled debt of $52,371. The Company recorded a gain on settlement of debt of $19,639.

On March 27, 2024, the Company issued 2,941,176 common shares with a fair value of $58,824 and settled debt of $50,000. The Company recorded a loss on settlement of debt of $8,824.

On April 15, 2024, the Company issued 3,628,208 common shares and settled debt of $61,680 for accounting services rendered.

On May 1, 2024, the Company announced a significant restructuring initiative. The proposal, subject to shareholder approval, has several initiatives as follows:

- the CEO would invest $1,000,000 of cash into the Company.
- debts of $1.7 million due to management and consultants would be restructured into convertible debentures with a three-year term, convertible to shares at $0.05 per share.
- the conversion price of the $5.5 million convertible debenture would be amended to $0.05 per share, subject to the provision that, for any 10 consecutive trading days the closing price of the Shares exceeds the amended exercise price by the applicable private placement discount (as outlined in the CSE policies), the exercise price will be amended to $0.35. Further, an insider purchased $0.5 million of interest related to the debenture and $0.7 million of the convertible debenture. These amounts related to the convertible debenture are expected to be converted into common shares at $0.05 per share.

On May 2, 2024, the Company announced that it had received a temporary Management Cease Trade Order ("MCTO") related to the outstanding filing of its December 31, 2023 audited financial statements and MDA. Pursuant to the MCTO, the chief executive officer and the chief financial officer of the Company may not trade in securities of the Company until such time as the Company files its annual audited financial statements for the year ended December 31, 2023, management's discussion and analysis, and related certifications (the "Required Documents") and the BCSC revokes the MCTO. The MCTO does not affect the ability of shareholders to trade their securities. The Required Documents were filed on July 2, 2024.

STRATEGIC PLANNING

Mindleap Health Inc.

On November 18, 2022, the Company entered into an agreement to dispose of its Mindleap Health Inc. ("Mindleap") subsidiary. The Company would receive $4,140,000 for its shares of Mindleap and would receive a further $100,000 for post-closing consulting services. On December 9, 2022, the Company closed the transaction. The final purchase price comprised 18 million Units of PanGenomic Health Inc. ("PanGenomic"), a company listed on the Canadian Stock Exchange (the "CSE"). Each Unit was comprised of one Class A Common Share of PanGenomic (a "Common Share") and one share purchase warrant to purchase one additional Common Share (a "Warrant") at a price of $0.30 per Warrant until December 8, 2024. In addition, the Company and PanGenomic entered into a transition services agreement whereby PanGenomic engaged Mydecine to assist in the transition, transfer, and integration of Mindleap's technologies into PanGenomic's technology platform (the "Services") for two months. In return for the Services, in 2023, PanGenomic paid to Mydecine a consulting fee of C$100,000.

On January 4, 2023, the Company entered into share sale agreements with arms-length parties and sold 15,250,000 PanGenomic common shares at $0.117 per share, for expected proceeds of $1,785,366, of which $500,000 cash would be received immediately and $1,285,366 would be received 45 days later. PanGenomic's closing share price at the time of this transaction was $0.315.

The Company sold the shares at a discount as the Company was concerned about the market liquidity and price stability of PanGenomic's shares. The PanGenomic shares came under heavy selling pressure in late December, 2022, which subsequently led to a significantly reduced share price. Using the historical market volume of PanGenomic's shares, the Company determined it would take at least 6-8 months to liquidate its shares, assuming no other external sellers. Also, the Company was concerned with the price stability of PanGenomic's share price. Overall, the Company was not confident that the Company would have a sufficient market to sell into without significantly reducing PanGenomic's share price. Both of these concerns prompted the Company to seek a private sale of these common shares with arm's length parties to eliminate these risks while providing liquidity relief to the Company. The Company utilized these proceeds to pay for research costs and general and administrative expenses.

Also, the Company sold 18,000,000 PanGenomic warrants on February 23, 2023 for gross proceeds of $25,200 and realized a loss on disposal of $2,807,318. As at December 31, 2023, the fair value of the PanGenomic warrants was estimated to be $2,832,519, with the share price of PanGenomic at $0.27 and the strike price of the warrants at $0.30. By February 23, 2023, the share price of PanGenomic decreased to $0.105 and these warrants were significantly out of the money. The Company was not confident with PanGenomic's ability to increase its share price and decided to sell these warrants to recover the remaining residual value. The decision to sell the PanGenomic warrants proved to be the prudent decision as PanGenomic's share price continued decrease over time.

The Mindleap division sale was expected to 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. However, recovery of cash from the sale of shares has hampered this initiative.

Ongoing Operations

The Company's main focus is novel drug development. The Company's primary target indication at this time is PTSD and GAD . 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-005 and MYCO-006. MYCO-007
- Explore new strategic partnerships to leverage the company's ongoing efforts.

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

The Company is currently conducting its psilocybin and MDMA research in Canada at the University of Alberta.

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 company has selected API as their partner and believes to have its lead compound MYCO-006 in humans in Q1 2025

Efforts towards MYCO-001, were pivoted towards MYCO-006, an MDMA analog. The company believes this drug holds potential to directly benefit from the expected FDA approval of MDMA in Q4 of 2024.

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 continues to expand. Multiple provisional & PCT applications and realized the publication of Novel Psilocin Analog Compositions And Methods of Synthesizing The Same.

Historical Successes

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

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").

	Number of Shares
Balance, December 31, 2022	**14,895,612**
Shares issued for financing	8,969,674
Shares issued for consulting services	24,216,667
Shares issued for debt settlements	3,818,851
MindLeap Health Inc.'s – anti dilution clause	666,667
Balance, December 31, 2023	**52,567,471**
Shares issued for debt settlements	5,559,719
Balance, March 31, 2024	58,127,190
Shares issued for debt settlements	3,628,208
Balance, July 5, 2024	**61,755,398**

On February 22, 2024, the Company issued 2,618,543 common shares with a fair value of $32,732 and settled debt of $52,371. The Company recorded a gain on settlement of debt of $19,639.

On March 27, 2024, the Company issued 2,941,176 common shares with a fair value of $58,824 and settled debt of $50,000. The Company recorded a loss on settlement of debt of $8,824.

Subsequent to March 31, 2024, the Company issued 3,628,208 shares to settle debt of $61,680 for accounting services rendered.

Further, subsequent to March 31, 2024, the CEO proposed to issue 55,555,556 common shares in a placement of $1,000,000. The Company entered into debt settlements with officers, directors and consultants to restructure $1,666,014 of balances payable not convertible debentures. These debentures will have a three-year term and will carry a 6% interest rate. The principal amount of the debentures will be convertible into common shares at a price of $0.05 per common share. The Company has proposed that the $0.35 per share conversion price of the existing $5,500,000 debenture be decreased to $0.05 per common share. These transactions are subject to shareholder approval and other conditions.

During the year ended December 31, 2023, the Company issued 8,969,674 shares for net cash of $3,608,499, which was used to fund operations and working capital. Debt settlements with a fair value of $1,679,465 were made via the issuance of 3,818,851 shares. As a result of an anti-dilution clause, the Company issued 666,667 in settlement of an obligation of a previous acquisition.

On September 19, 2023, the Company issued 18,750,000 common shares with a fair value of $3,750,000 for 1 year consulting service agreements with arm's length parties. The fair value of the services could not be measured. and therefore, the prepayment was measured at the fair value of the common shares, using a level 1 input on the date of issuance. These services were to be delivered over a 12-month period and included assistance with financings, capital raises, introductions to public and private investors, and to alternative stock exchanges. Subsequently the Company assessed that the carrying amount of these prepayments exceeded their recoverable amount. As such, the Company recorded a loss on prepaids of $3,750,000. On October 31, 2023, the Company issued 5,466,667 common shares for consulting services to arm's length parties with a fair value of $820,000, using a level 1 input on the date of issuance.

Issuances

Subsequent to March 31, 2024, the Company issued 3,628,208 shares to settle debt of $61,680 for accounting services rendered.

On August 28, 2022, the Company was obligated to issue 968,979 common shares for the last tranche of Neuropharm's anti-dilution clause. As at March 31, 2024 and December 31, 2023, these shares have not been issued.

During the period ended March 31, 2024, the Company issued shares as follows:

- On February 22, 2024, the Company issued 2,618,543 common shares with a fair value of $32,732 and settled debt of $52,371. The Company recorded a gain on settlement of debt of $19,639.
- On March 27, 2024, the Company issued 2,941,176 common shares and settled debt of $50,000. The Company recorded a loss on settlement of debt of $8,824.

During the 2023 year the Company issued shares as follows:

- On January 19, 2023, the Company issued 1,182,795 common shares for gross proceeds of $550,000.
- On February 1, 2023, the Company issued 1,397,849 common shares for gross proceeds of $650,000. Also on February 1, 2023, the Company issued 140,350 common shares with a fair value of $77,193 and settled debt of $80,000. The Company recorded a gain on settlement of debt of $2,808.
- On February 9, 2023, the Company issued 461,288 common shares with a fair value of $276,773 and settled debt of $268,540. The Company recorded a loss on settlement of debt of $8,233.
- On February 10, 2023, the Company issued 1,397,849 common shares for gross proceeds of $650,000.
- On February 22, 2023, the Company issued 1,397,849 common shares for gross proceeds of $650,000.
- On February 28, 2023, the Company issued 666,667 common shares with a fair value of $346,666 and settled the Company's other liability in full.
- On April 6, 2023, the Company issued 1,340,206 common shares for gross proceeds of $650,000.
- On April 12, 2023, the Company completed a private placement and issued 359,794 common shares for gross proceeds of $174,500. The Company issued 1,702,061 common shares and settled debt of $825,500.
- At the annual general and special meeting held on May 5, 2023, shareholders approved the adoption of a new stock option plan and the re-pricing of certain debentures and debenture warrants. The implementation of both resolutions is at the discretion of the board of directors.
- On May 29, 2023, the Company issued 1,515,151 common shares and settled debt of $500,000.
- On September 19, 2023, the Company issued 18,750,000 common shares for services with a fair value of $3,750,000 for prepaid consulting services with arm's length parties, using a level 1 input on the date of issuance. As at December 31, 2023, prepaid consulting services was $Nil (2022 - $Nil) related to this transaction.
- On October 31, 2023, the Company issued 1,893,333 common shares for gross proceeds of $284,000. The Company issued 5,466,667 common shares with a fair value of $820,000 for consulting services, using a level 1 input on the date of issuance.

The 2024 financings have been used to reduce debts.

Most of 2023 financings were used towards general & administration expenditures. Specifically towards consulting fees, insurance, professional fees, research and development expenses and salaries for the year ended December 31, 2023. The Company relies heavily on the third-party expertise to achieve business objectives and plans and sustain future development of the business.

Use of proceeds

During the year ended December 31, 2023, the Company issued 37,671,859 common shares to raise total proceeds of $10,204,632. Below table shows the intended use for these financing proceeds.

Intended use of proceeds of private placements during the year ended December 31, 2023		Amount incurred to date December 31, 2023		Variances
General and administration expenditures	$ 7,713,501	General and administration expenditures	$ 11,368,178	$ (3,654,677)
Research and development expenditures	465,000	Research and development expenditures	248,276	216,724
Anti-dilution settlement	346,666	Anti-dilution settlement	346,666	-
Debt	1,679,465	Debt	1,679,465	-
Total	$ 10,204,632		$ 13,642,585	$ (3,437,953)

General and administrative costs include total expenses, less Research and development and Finance costs, but also include $3,750,000 of prepaids written off, as those funds were raised for G&A. Most of financings were used towards general & administration expenditures. Specifically towards consulting fees, insurance, professional fees, and research and development expenses for the year ended December 31, 2023.

Most of the 2023 variances were caused by a combination of expensing prepaids and increased payables. Cash from the sale of investments was used to finance operations in 2023.

OUTSTANDING SHARE DATA

The Common Shares, warrants and stock options of the Company which were outstanding as at the date of this MDA, March 31, 204, and December 31, 2023 were as follows:

	July 5, 2024	**March 31, 2024**	**December 31, 2023**
Common Shares	61,755,398	58,127,190	52,567,471
Neuropharm anti-dilution shares	968,979	968,979	968,979
Unissued placement shares	55,555,556	55,555,556	-
Warrants	3,288,488	3,288,488	4,044,038
2024 convertible debt (pending shareholder approval)	33,320,280	33,320,280	-
2021 convertible debt (pending shareholder approval)	110,000,002	110,000,002	15,714,286
Stock Options	243,863	243,863	243,863
Fully diluted	265,132,566	261,504,358	73,538,637

Subsequent to March 31, 2024, the Company issued 3,628,208 common shares and settled debt of $61,680 for accounting services rendered.

Further, subsequent to March 31, 2024:

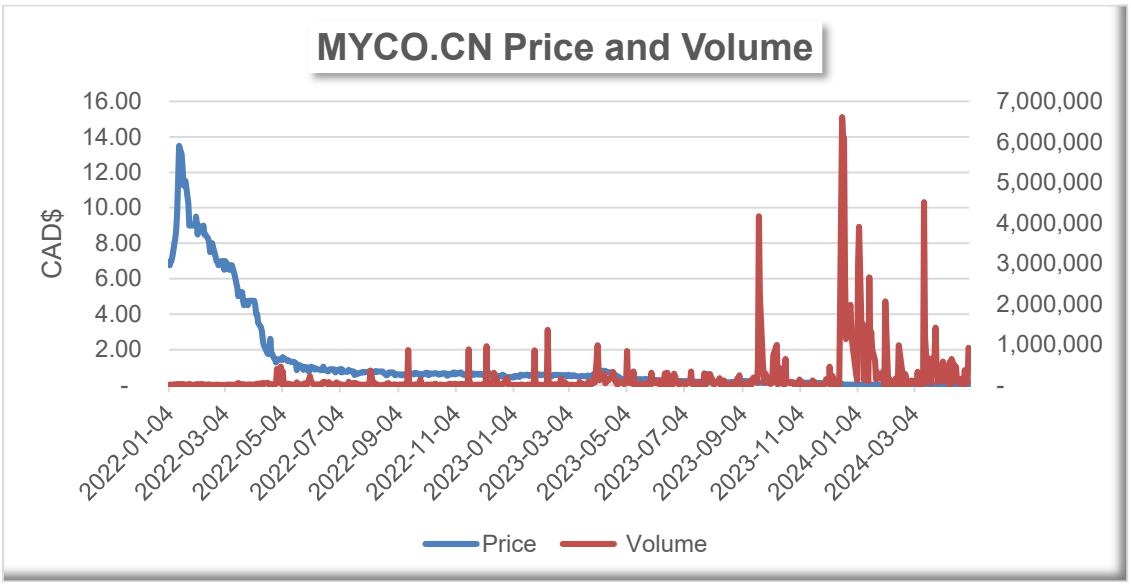
- the CEO proposed to issue 55,555,556 common shares in a placement of $1,000,000.
- the Company entered into debt settlements with officers, directors and consultants to restructure $1,666,014 of balances payable not convertible debentures. These debentures will have a three-year term and will carry

a 6% interest rate. The principal amount of the debentures will be convertible into common shares at a price of $0.05 per common share.

- the Company has proposed that the $0.35 per share conversion price of the existing $5,500,000 debenture be decreased to $0.05 per common share.

These three transactions are subject to shareholder approval and other conditions.

On December 9, 2021, the Company closed a senior secured convertible debenture financing on a non-brokered private placement basis for gross proceeds of $5,500,000 and a three-year term to maturity. The Company issued 647,059 three-year warrants associated with this debenture. On May 19, 2023, the Company amended the conversion price of the convertible debentures and the exercise price of the debenture warrants from $8.50 to $0.35, resulting in a potential dilution of 15,714,286 common shares, if converted. Subsequent to December 31, 2023, the conversion term of the convertible debenture was amended to $0.05 per share, subject to shareholder approval and subject to the provision that, for any 10 consecutive trading days the closing price of the Shares exceeds the amended exercise price by the applicable private placement discount (as outlined in the CSE policies), the exercise price will be amended to $0.35. While the convertible debt represents a substantial portion of the fully diluted shares outstanding, the $0.02 closing price on the date of this MDA makes the probability of conversion by the debenture holder remote at this time.



SELECTED ANNUAL INFORMATION

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

	December 31, 2023	December 31, 2022 (restated)	December 31, 2021
Total revenue	$ -	$ -	$ 7,493
Expenses	10,852,691	17,058,264	23,252,567
Total assets	212,379	9,232,992	7,580,702
Assets held for distribution	-	-	-
Current liabilities	12,127,698	5,818,937	2,947,260
Long-term liabilities	-	4,696,974	4,422,123
Net loss for the period	(20,947,032)	(9,249,692)	(28,897,399)
Net loss per share, basic and diluted	(0.68)	(1.07)	(6.17)

Note: The 2022 information was restated as noted in the changes reported in the financial statements.

On October 1, 2021, the Company completed the spin-out of all its cannabis subsidiaries and investments. The purpose of the spin-out 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. On December 12, 2022, the Company disposed of its Mindleap Health Inc. ("Mindleap") subsidiary. The purpose of 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.

The cannabis subsidiary loss in 2021 was $5.3 million. The Mindleap division disposal in 2022 was reported as a $6.5 million gain. In 2023, the Company reported a combined $6.4 million loss on the sale of PanGenomic shares and the subsequent credit loss. Further, the Company expensed $3.75 million of shares issued for services in 2023 as the service was not expected to extend beyond the 2023 year end.

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.

	Revenue	Expenses	Assets	Liabilities	Loss per Share	Average Shares Outstanding
March 31, 2024	$ -	$ 1,026,499	$ 213,405	$ 13,052,852	$ 0.02	53,803,784
December 31, 2023	-	2,905,706	212,379	12,127,698	0.18	50,087,471
September 30, 2023	-	1,182,956	4,454,056	10,971,753	0.04	28,749,138
June 30, 2023	-	2,650,920	1,025,235	10,285,236	0.13	25,154,580
March 31, 2023	-	4,113,110	2,220,877	10,274,478	0.41	18,561,565
December 31, 2022	-	6,443,908	9,232,992	10,383,239	0.54	12,220,867
September 30, 2022	-	2,726,515	3,878,708	7,942,467	0.35	9,537,322
June 30, 2022	-	3,143,805	6,190,930	8,217,304	0.35	7,142,532

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.

In December, 2022, the Company sold its Mindleap subsidiary, recognizing a gain of $6,928,768 during Q4 2022. In 2023, the Company recognized losses of $5,139,452 related to the realized loss on sale of the Pangenomic Health Inc. (PHI) shareholding and a credit loss of $1,285,365 related to sales receipts from these shares. The Company sold the shares to a third party because finding a broker to manage the sale was very difficult and the Company was in need of cash to meet its operating needs. As there was a limited market for the quantity of shares that the Company held, a price significantly below market was agreed for the shares.

PROPOSED TRANSACTIONS

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

RESULTS OF OPERATIONS – REVENUES

During 2024 and 2023, the Company's principal business focused on the development and commercialization of solutions for treating mental health problems through its psilocybin research and development. As a result, the Company has limited revenues.

RESULTS OF OPERATIONS – EXPENSES

For the three months ended March 31, 2024 and 2023

The Company recorded net loss in Q1 2024 of $1,015,684 compared to a net loss of $10,463,579 for Q1 2023. Some of the significant charges to operations and other expenses are as follows:

- The Company incurred Q1 2024 consulting expenses in the amount of $Nil (Q1 2023-$1,932,938). During 2023, the Company engaged serval consults to obtain capital markets advice, accounting for the majority of the consulting expense. Almost all of the 2023 consulting services expenses were purchased on a shares for services arrangement, from a number of companies. These services included introducing the Company to an extensive group of connections with public and private companies, introductions to alternative exchanges and corporate finance advice. None of the parties were related to the Company as all were operating as independent contractors.

  Throughout the 2023 year, one of the consulting groups subscribed to 4,833,771 common shares for proceeds of $1,658,499, through private placements, 3,217,212 common shares for debt of $1,325,500 and 1,800,000 common shares for services of $270,000.

- Corporate development costs were $592 in Q1 2024 (Q1 2023 - $501,631), related to marketing and public relations activities, and were reduced in 2024 due to capital restrictions and management's decision to curtail corporate development activities.

- Professional fees of $103,136 in Q1 2024 (Q1 2023 - $325,621) mostly included legal fees to assist with restructuring the business and negotiating settlements, fees to complete accounting and reporting for the quarters and year end, CFO fees, and audit accrual fees.

- Office costs of $103,136 in Q1 2024 (Q1 2023 - $271,338) reflects reduced activity and staff in 2024.

- Salaries of $225,347 in Q1 2024 (Q1 2023 - $375,059) reflect reduced staff levels and the preservation of capital.

- Research and development expenses of $13,564 in Q1 2024 decreased (Q1 2023 - $143,334), partly to conserve cash and partly to focus on debt reduction. Much of the 2023 expense was related to prepaid contract items of prior years. The Company did contract some third-party testing in 2023, which was reported in this expense line. The Company continued its research activities and during the 2023 year, released a positive update on its MYCO-006 Project.

- Regulatory and filing fees of $2,250 in Q1 2024 (Q1 2023 - $100,680) were reduced due to lower activity with share issuances through the prospectus document.

- Finance costs of $350,468 in Q1 2024 (Q1 2023 - $234,918) is almost all represented as interest and accretion on convertible debentures. Total principal and interest on the convertible debenture at March 31, 2024 was $5,670,274, leaving $112,577 of remaining accretion to be applied to the debenture. On March 4, 2023, the Company amended the terms of the convertible debenture, whereby agreeing to waive the holders security interest in Mindleap Health. The Company agreed to issue 250,000 common shares with a fair value of $110,000 and paying $660,000 to waive the security interest the convertible debenture held. The Company accounted for this transaction as a reduction to the carrying value of the convertible debenture and was accreted to the face value of the loan until maturity. This amendment led to an increase in finance cost.

- Management fees in Q1 2024 of $202,718 (Q1 2023 - $183,962) reflect the costs of the CEO and CFO.

The Company recorded income from discontinued operations in 2022 of $6,495,405, on sale of the Mindleap division for PanGenomic shares and warrants. As a result of an attempt to sell these investment shares in 2023, the Company recorded a loss in 2023 of $2,332,134 related to the sale of the shares and an impairment loss of $1,285,365 on expected receipts on sale of the shares. The Company also realized a $2,807,318 loss on the sale of the PanGenomic warrants in Q1 2023.

The Company considered all options to recover its credit loss, including legal action. However, the cost and time of such a course of action significantly outweighed the minimal expected return of such an action. The Company continues to communicate with the parties in efforts to recover something against the provision. If such recovery is made at any future time, it will be recorded as income in the period received.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

All significant critical accounting estimates are fully disclosed in Note 3 of the Financial Statements. There were no changes in Accounting Policies in the period ended March 31, 2024.

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 convertible debenture is 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 commercialize its research and development.

At March 31, 2024, the Company's working capital deficit was $12,839,447 (December 31, 2023 – working capital deficit of $11,915,319) and cash was $20,351 (December 31, 2023 - $37,646).

LIQUIDITY AND CAPITAL RESOURCES – CASH FLOW

OPERATING ACTIVITIES

Cash used in operating activities for the three-month period ended March 31, 2024 was $17,295 as compared to $3,000,739 in the three-month period ended March 31, 2023. While the Q1 2024 loss was significantly lower than in Q1 2023, the 2023 period reported a non-cash loss on marketable securities of $5,139,452, and impairment of loans receivable of $1,285,366, a reduction in prepaids of $602,498, and increase accounts payable of $239,499.

FINANCING ACTIVITIES

During the three-month period ended March 31, 2024 the Company did not raise any proceeds from financing (March 31, 2023 - $2,500,000, from the sale of shares).

INVESTING ACTIVITIES

The Company sold PHI shares for cash receipts of $500,001 in Q1 2023.

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. During the period ended March 31, 2024, the Company classified its financial instruments as follows:

Financial assets/liabilities	Classification under IFRS 9
Cash and other receivables	FVTPL
Loan receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost
Notes payable	Amortized cost
Other financial liabilities	FVTPL
Marketable securities, at fair value through profit and loss	FVTPL

Financial instruments are used to finance and conduct the Company's operations.

The Company issued a $5,500,000 convertible debenture in 2021, bearing a 10% interest rate and due in 36 months. The convertible debenture was issued with warrants. The value of the warrants and the conversion feature were estimated and segregated from the value of the debenture, resulting in a balance for reporting of $4,354,302. These features are being accreted back to the carrying value of the debenture over its term, so the debenture balance for accounting purposes will be $5,500,000 after 36 months. The Company reported $343,713 of interest on the debenture in the March 31, 2024 period (March 31, 2023 - $234,175) to bring the accounting balance of principal and interest to $5,557,697 at March 31, 2024.

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. The Company recognized a significant impairment in amounts receivable in 2023, related to balances due on the sale of PHI shares.

(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 March 31, 2024.

The Company has filed a prospectus document which allows it to sell shares to raise funds.

(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 scientific 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 year ended December 31, 2023, 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.
March 31, 2024, the Company announced, subject to shareholder approval, a potential $1,000,000 cash placement and restructuring of $1.7 million of liabilities due to management. Further, a $5 million line of credit was arranged and the conversion price of the debenture was reduced to $0.05, which is closer to the current market price of the Company's shares. These efforts were made to provide working capital for 2024 operations, and to provide management the resources required to stabilize the Company's short term share price and advance the Company's technology. Any advancement of the Company's technology could lead to a significant increase in entity value for shareholders.

TRANSACTIONS WITH RELATED PARTIES

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

David Bartch	CEO and Director
Damon Michaels	COO and Co-Founder
Robert Roscow	Chief Science Officer and Director
Dr. Rakesh Jetly	Chief Medical Officer
John Ross	CFO
Todd Heinzl	Director from August 12, 2022 to April 4, 2023 and May 29, 2023 to July 21, 2023
Neil Stevenson-Moore	Director from April 4, 2023 to December 22, 2023

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

Three months ended	March 31, 2024	March 31, 2023
Director and management fees paid or accrued to the CEO	$ 110,587	$ 111,159
Management fees paid or accrued to the CFO	15,600	11,800
Management fees paid or accrued to the COO	112,180	106,251
Management fees and salaries paid or accrued to other officers of the Company	209,280	198,220
Total	**$ 447,646**	**$ 427,400**

During the period ended March 31, 2024, the Company has an accrual for salaries, bonuses, short term benefits and management fees of $2,901,257 (December 31, 2023 - $2,406,808) for the executive team and board of directors included in accounts payable and accrued liabilities within the consolidated statement of financial position.

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. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2024, the Company had no off-balance sheet arrangements.

CONTINGENCIES

As at March 31, 2024, the Company has an outstanding payable balance of $865,456 to a research partner that is due on August 30, 2024 ("Due Date"). If the Company does not remit payment by the Due Date, the Company will incur a project cancellation fee of $1,400,000. There is no other contingency outstanding as of the 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 March 31, 2024, the Company has an accumulated deficit of $156,127,548 (December 31, 2023 - $155,111,864), and a net loss in the period from continuing operations of $1,015,684 and negative cash from ongoing operating activities of $17,295. 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 the period ended March 31, 2024 and the year ended December 31, 2023, there has been no significant change in the Company's internal control over financial reporting, except changes in management and directors as reported above, and remediation efforts discussed below.

The management of the Company has filed the Certificate of Annual Filings Full Certificate on SEDAR+ at www.sedarplus.ca

The Company's Management, with the participation of its CEO and CFO, has evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures. Based on that evaluation, the Company's CEO and CFO have concluded the Company's management has concluded that there was a material weakness in its internal controls over financial reporting, which resulted in a restatement of the 2022 financial reports. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements and Management's Discussion and Analysis, will not be prevented or detected on a timely basis.

Changes in 2023 from restructuring the business model, and lack of resources, created some weaknesses, which management has attempted to address. Management is committed to the planning and implementation of remediation efforts to address the material weaknesses, as well as to continuously enhance the Company's internal controls. The Company has changed its auditor and migrated to a new accounting system matched more to the size of the Company at this time. These changes are expected to strengthen future reporting. The management team, including the Chief Executive Officer and Chief Financial Officer, have reaffirmed and re-emphasized the importance of internal control, control consciousness and a strong control environment.

The Company's Management, including the CEO and the CFO, does not expect that its disclosure controls and internal controls over financial reporting will prevent or detect all errors and fraud. A cost-effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.