Endocan Solutions Inc.

LISTING STATEMENT

March 9, 2022

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2. CORPORATE STRUCTURE

Overview

This Listing Statement has been prepared in connection with the acquisition (the "Acquisition") of Nirvana Life Sciences Inc. ("Nirvana" or the "Company") by Endocan Solutions Inc. ("Endocan" or the "Issuer"). Endocan's common shares ("Shares") were previously listed on the Canadian Securities Exchange ("CSE" or the "Exchange"). It is the intention of both parties that upon completion of the Acquisition, a transaction which will be a reverse takeover and constitutes a Fundamental Change, the Shares will be relisted on the CSE.

Upon completion of the Acquisition, Nirvana will become a wholly-owned subsidiary of Endocan. The post-acquisition Endocan (the "Resulting Issuer") is expected to maintain its head office and registered office as presently located and will assume the name "Nirvana Life Sciences Inc." while Nirvana will adopt another name to be determined.

Endocan

Endocan has its head office located at 1050 West Georgia Street, 14th floor, Vancouver, British Columbia and its registered office at #950-777 Hornby Street, Vancouver, British Columbia. The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on May 11, 2011, as "Inexco Mining Corp." On March 23, 2015, the Issuer completed a reverse takeover of Worldwide Cannabis Consortium Inc. (formerly Worldwide Marijuana Inc.) and concurrent with the closing of the transaction, the Issuer changed its name to "Worldwide Marijuana Inc." On August 15, 2017, the Issuer changed its name to "Endocan Solutions Inc." On November 1, 2020, the Issuer completed a short-form (vertical) amalgamation with its subsidiary, Worldwide Cannabis Consortium Inc.; the resulting amalgamated entity assumed the name "Endocan Solutions Inc."

Nirvana

Nirvana has its head office and registered office located at Pender Street, Vancouver, British Columbia. The Company was incorporated under the *Business Corporations Act* (British Columbia) on June 17, 2020 as "Eleusis Bioscience Inc." On July 9, 2020, the Company changed its name to "1253766 B.C. Ltd." and then to "Nirvana Life Sciences Inc." on August 3, 2020. Nirvana has no subsidiaries.

The Acquisition

On June 4, 2021, Endocan and Nirvana entered into a share exchange agreement (the "Share Exchange Agreement") whereby Endocan agreed to acquire all of the 39,827,095 issued and outstanding common shares in the capital of Nirvana, by issuing each Nirvana shareholder one Share (at a deemed price of $0.25 per Share) as consideration for one Nirvana share held by such shareholder. The obligation of the parties to consummate the transaction is subject to certain conditions precedent, which include, among other things, CSE approval of the Acquisition. Closing will occur on or before the fifth business day following the satisfaction or waiver of all conditions precedent. After closing of the Acquisition, the Resulting Issuer will change its name to "Nirvana Life Sciences Inc." and Nirvana will change its name to one that both parties have mutually agreed upon. On August 16, 2021, the Share Exchange Agreement was amended to reflect the fact that Endocan will be acquiring 39,455,095 Nirvana shares, which constitutes 99.06% of the issued and outstanding shares of the Company. On January 10, 2022, the Share Exchange Agreement was further amended to reflect the fact that Endocan will be acquiring 25,905,095 Nirvana shares, which constitutes 99.34% of the issued and outstanding shares of the Company.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Since October 2015, when Endocan abandoned its cannabis business, the Issuer has had no active business and has been seeking enterprises or assets to acquire. Over the last three years, the Issuer has not had any activity except the following:

- In February 2019, Endocan signed a non-binding letter of intent with Hai Beverages Inc. with respect to a reverse takeover of Monashee Medicinal MJ, a subsidiary of Hai Beverages Inc., for $1,750,000. In June 2019, the letter of intent was terminated with no penalty to the Issuer.
- On October 21, 2019, the securities commissions of British Columbia and Ontario revoked the cease trade orders against Endocan.
- Robert van Santen, a former director of Endocan, and his holding company Agilis Capital Corporation filed a notice of claim against Endocan in the Supreme Court of British Columbia alleging that Endocan owed the plaintiffs money for outstanding consulting fees and severance pay. The lawsuit was subsequently settled in March 2021 when the Issuer entered into a settlement agreement with Mr. van Santen, whereby the Issuer agreed to issue to him 450,000 Shares in satisfaction of all actions and claims he has against the Issuer. The Shares were issued to Mr. van Santen in June 2021.

3.2 (1) The Issuer proposes to acquire Nirvana, as described above. Nirvana's assets and business are described below in "Narrative Description of the Business". Under the terms of the Share Exchange Agreement, the shareholders of Nirvana will be receiving one (Endocan) Share in exchange for each Nirvana share held by such holder. The closing of the Acquisition will occur the fifth business day following the satisfaction or waiver of all conditions precedent, which includes CSE approval of the Transaction and the listing of the Shares on the Exchange. Nirvana is not a Related Party of the Issuer, and the Acquisition is an arm's length transaction.

A valuation report by RwE Growth Partners, Inc. dated March 28, 2021, valued Nirvana's assets –- which consists of intellectual property more particularly described in the section "General Background" under "Narrative Description of the Business" below –- in the range of $10.6 million to $12.0 million.

(2) Please see (1) above.

3.3 The COVID-19 pandemic is expected to have a material effect on the Resulting Issuer's business, financial condition or results of operations. Since March of 2020, Canada and other nations around the world have imposed quarantines and restrictions on travel and commercial activities in order to avoid congregations of people. These measures have created disruptions in supply chains and caused shortages of materials, labour and other resources. While the Issuer has not been seriously affected by the restrictions from a logistical standpoint, if the restrictions were to continue for an extended period, the Issuer may not be able to carry out certain activities or suffer delays due to an inability to procure materials, labour or other resources in a timely manner.

Unemployment and business shutdowns increased dramatically as a result of the pandemic, and consumer confidence may have eroded as consequence. Although recovery from these events is generally expected to occur, the economic repercussions from widespread unemployment and bankruptcies may have lasting effects, and/or create uncertainty which may affect the Resulting Issuer's ability to procure capital or attract customers.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 Endocan currently has no active business and after the Acquisition, Nirvana's business will become the business of the Resulting Issuer. Therefore, the description of the Resulting Issuer's business below is a description of Nirvana's business.

(a) General Background

Nirvana's business is the research and development of (i) psychedelic-derived therapeutic medicines, and the delivery methods for such drugs; (ii) scalable processes for the extraction, distillation and purification of psychoactive compounds from raw biomass such as mushrooms and mycelium; and (iii) the improvement of propagation techniques for growing such biomass on a large scale.

Psilocybin (4-phosphoryloxy-N, N-dimethyltryptamine) is a chemical compound obtained from certain species of mushrooms, colloquially known as "magic mushrooms". When ingested, psilocybin is quickly converted by the body to psilocin, which can cause hallucinogenic and euphoric effects similar to those produced by lysergic acid diethylamide ("LSD"). Psilocybin is classified as a tryptamine (indole-alkylamine) – tryptamines are a broad class of classical or serotonergic hallucinogens.

There is growing interest in exploiting psilocybin and other psychedelic compounds for therapeutic purposes rather than for recreational use. In 2018, the United States Food and Drug Administration ("USFDA)" granted Breakthrough Therapy designation for using psilocybin to alleviate treatment-resistant depression, and in 2019, the USFDA granted Breakthrough Therapy Designation for psilocybin therapy which treats major depressive disorder. There have also been a number of small, open-label pilot studies which indicate that psilocybin may be effective in overcoming addictions to tobacco and alcohol.[1]

Nirvana's goal is to develop psilocybin-based medicines, and to improve technologies that would assist in the production of psilocybin. The different branches of Nirvana's business are described below:

1. Formulations and Delivery Methods

Nirvana has acquired a portfolio of intellectual property from researchers with extensive experience in the psychedelics space. Amongst these assets are:

- a process to synthesize psilocybin from alternate sources such as bacteria and *E. Coli*
- a process to synthesize DMT and 5-MeO-DMT in large quantities from the amino acids tryptophan and 5-methoxy-indole
- a process to semi-synthesize various ibogaine metabolic alkaloids (of which noribogamine is one) from naturally derived ibogaine
- a process to synthesize ibogaine metabolites known as 12 & 13-hydroxyibogamine
- a formulation of psilocybin that uses the phosphorylated form of tryptamines, in order to prevent abuse by injection or insufflation
- psilocybin and psilocin as a Zwitterion compound and as a structural salt which is water-soluble and possessing a higher degree of bioavailability

[1] Johnson MW, Garcia-Romeu A, Cosimano MP, Griffiths RR. Pilot study of the 5-HT2AR agonist psilocybin in the treatment of tobacco addiction. *J Psychopharmacol*. 2014; and Bogenschutz MP, Forcehimes AA, Pommy JA, Wilcox CE, Barbosa P, Strassman RJ. Psilocybin-assisted treatment for alcohol dependence: a proof-of-concept study. *J Psychopharmaco*l. 2015

- pharmaceutical formulations that incorporate ibogaine and its metabolites that increase bioavailability and range in effects

Based on some of these assets, Nirvana has embarked on the research and development of a psilocybin-based drug formulation that would have similar effect and efficacy as an ibogaine-based drug formulation that is used to break narcotic addiction. Ibogaine, a psychoactive alkaloid made from the bark of the West African iboga plant, has been reported to help drug addicts reduce their withdrawal symptoms from opiates and to temporarily eliminate substance-related cravings. However, there are considerable concerns about ibogaine's safety and its illegality in several countries makes it a difficult ingredient to obtain for formulation purposes.

Nirvana has chosen to develop a psilocybin-based formulation to mimic the effects of ibogaine with respect to addiction treatment. It has begun pre-clinical trials at the University of Camerino in Italy to see if its formulation will work to break an addiction to heroin in mice. If successful, Nirvana will continue with clinical trials with human subjects. Furthermore, the findings from all studies will be used to research and develop Nirvana's second product: a psilocybin-based pain reliever that is non-addictive.

Nirvana has subleased a 2500 square foot facility in Vancouver to conduct its research and development activities.

2. Extraction and Distillation

The extraction of active tryptamines from biomass material like mushrooms and mycelium is fraught with difficulty since tryptamines tend to degrade rapidly when exposed to oxygen, light and water. The yield extracted is often times too low to be effectively refined into a pharmaceutical-grade ingredient. Nirvana intends to solve this problem by acquiring an exclusive license to use an innovative technology which can extract and distill tryptamines more efficiently than other processes available today.

The Pure AI machine, developed by Entourage Biosciences Inc., is a high-vacuum fractional distillation system that separates non-tryptamine compounds at a lower temperature than conventional fractional distillation systems. Moreover, the Pure AI machine is able to produce compounds that are pure in nature since the technology has the ability of separating pristine compounds from complex mixtures by incorporating the use of vapor temperature within a static multiple theoretical plate system.

3. Purification

Purification is the single most difficult aspect of the tryptamine production process. Many companies have claimed that they are producing tryptamines via a de novo process in yeast or other media, but there is no evidence anyone has been able to produce tryptamines through a de novo process. The research team at Nirvana has been successful at creating a pharmaceutical-quality crystalline solid from the extraction of biomass material, and intends to conduct further tests in laboratory conditions to develop a scalable process.

The value to this de novo process is the ability to purify the reaction matrix to effectively yield an active tryptamine API. Both the de novo method and the complete extraction method of tryptamine production will reduce the production cost of pharmaceutical-grade tryptamines.

4. Propagation

Most players in the psychedelic industry today are using a synthetic version of the psilocybin due to scalability challenges. Since Nirvana believes that naturally derived materials are superior, it is currently working on improving propagation techniques that, if successful, will enable Nirvana to grow the raw materials for psilocybin in commercial volumes.

Regulatory Overview

For a drug product to be marketed in Canada, it must be approved by Health Canada, the regulatory body that administers the *Food and Drug Act*. An applicant must provide sufficient evidence of safety, efficacy and chemical quality based on the results of a multi-phase testing program carried out in accordance with the extensive requirements of Part C of the *Food and Drug Regulations* and in keeping with Health Canada's "good clinical practices". In general, drug product candidates will first be tested in preclinical studies, which are conducted on tissues samples, cells or animals, for a preliminary assessment. If the results indicate that the product candidate is worthy of further testing, the applicant then progresses to clinical studies, which are performed on humans. According to Health Canada, clinical trials are often conducted in three to four phases, and have the following objectives:

- Phase 1: These trials test an experimental drug on a small group of people for the first time. The purpose is to:
    - look at the drug's safety
    - find out the safe dosage range
    - see if there are any side effects
- Phase 2: The drug is given to a larger group of people (usually 100 or more) to:
    - gather data on how well the drug works to treat a disease or condition
    - check the drug's safety on a wider range of people
    - figure out the best dose
- Phase 3: The drug is given to even larger groups of people (usually 1,000 or more) to:
    - make sure it is still effective
    - monitor side effects
    - compare it to commonly used treatments
    - collect information about the drug that will allow it to be used safely on the market
- Phase 4: These trials take place after the drug is approved and is on the market. Information is gathered on things like the best way to use a drug and the long-term benefits and risks.

This process usually takes several years and is extremely costly. If an applicant is able to conduct all phases of pre-clinical and clinical trials, and the results from such tests are able to satisfy all regulatory requirements, Health Canada will issue a Notice of Compliance and a Drug Identification Number for the drug product. The drug manufacturer will have ongoing compliance obligations to Health Canada to ensure that the product remains safe and efficacious.

Drug formulations which have a "controlled substance" as an active ingredient have additional regulations. Psilocybin is a "controlled substance" as it is listed on Schedule III of the *Controlled Drugs and Substances Act* ("CDSA"). The CDSA prohibits all uses of controlled substances unless an exemption is granted under section 56 (the "Section 56 Exemption") whereby the Minister of Health finds that "the exemption is necessary for a medical or scientific purpose or is otherwise in the public interest". On August 4, 2020, Canada's Minister of Health permitted four terminally ill patients to obtain psilocybin to help alleviate anxiety and depression. This action was heralded as a precedent in the regulatory landscape as it allowed possession and use of psilocybin for non-research purposes.

Another exemption can be found in Part J of the *Food and Drug Regulations*, where one may apply for a Dealer's License in order to be authorized to perform the otherwise prohibited activities with respect to the controlled substance. A licensed dealer may only sell psychedelics to an institution for clinical or research purpose, and such research institution must first obtain pre-authorization from Health Canada. A licensed dealer may also import and export-controlled substances, provided a permit from Health Canada is obtained for each import or export.

To be clear, psilocybin is currently still a controlled substance and thus members of the general public cannot possess or use psilocybin without having a Section 56 exemption.

Licensing

On March 10, 2021, Nirvana was authorized by Health Canada under Part J of the *Food and Drug Regulations* to possess and use, for research purposes only, a certain amount of psilocybin, provided that Nirvana abides strictly with the conditions set out in the authorization. The Company will apply for a Dealer's License under Part J of the *Food and Drug Regulations* in the near future.

(b) Production

Nirvana does not intend to produce its drug formulations, preferring instead to restrict its activities to research and development. Once it has completed all clinical trials and associated requirements, Nirvana intends to find a partner, acquiror or licensee to manufacture, produce and distribute its therapeutic medicines.

(c) Business Model and Principal Markets

A number of revenue-generating models are open to Nirvana. First, it can license its proprietary formulations and technologies, thereby earning revenues through licensing fees or royalties. Second, it can seek a larger organization with the resources to manufacture, market and distribute Nirvana's products, to either acquire Nirvana outright or to enter into a partnership. Third, it can commercialize its formulations and technologies itself, by raising the capital to enable it to do so. None of these options is mutually exclusive of the others.

Regardless of which business model it follows, psychedelic-based drugs represent a global business that is unrestricted in terms of geography. According to a report by Data Bridge Market Research, the global psychedelic drug market is growing with a compound annual growth rate of 13.3% and expected to reach US $6.86 billion by 2028[2].

(d) Competition

Some of the more well-known players who are also developing psilocybin-based products are: Field Trip Health Inc., Numinus Wellness Inc., Champignon Brands Inc. and Havn Life Sciences Inc. These competitors are all public companies, have raised significant amounts of capital, and have an earlier start in carrying out their plans. (There are private companies competing with Nirvana as well.) Moreover, it is expected that competition will increase in the psychedelic sector as it is a nascent industry that is garnering significant interest. Intense competition will naturally make it more difficult for any company to be profitable in the psychedelic industry. However, unlike other competitors who offer a wide spectrum of products and services (including but not limited to treatment clinics, mushroom cultivation, and retail products), Nirvana strives to be focused by only developing formulations and related technologies.

[2] Global Psychedelic Drugs Market – Industry Trends and Forecast to 2028

(e) Supplies and Sourcing

Laboratory equipment are readily available from lab suppliers. Raw materials used for testing purposes, such as mushrooms, can be obtained from farms and other biomass suppliers. The Company does not anticipate any difficulties in supplies and sourcing.

(f) Environmental Regulations

Nirvana's laboratory operations at the Facility will be subject to environmental protection laws and regulations that prescribe methods for storing and disposing of chemicals and controlled compounds. The Company intends to abide fully with any and all environmental laws and regulations, but it does not expect such compliance will lead to any financial or operational effects on its capital expenditures, profit or loss, or its competitive position in the current fiscal year or in future years.

(g) Intangible Assets

We have implemented several measures to protect our product formulations, to protect their status as trade secrets while they are in the research and development phase. These measures include confidentiality agreements with anyone who has access to the formulations, as well as physical security policies to secure both the actual compounds and any written materials describing the formulations. At the appropriate time, we may file patent applications for the formulations.

Once we are near the commercialization stage for our products, we will file trademark applications to protect any trade names assigned to the products.

(h) Specialized Skill and Knowledge

Drug research and development requires specialized skills and knowledge, and Nirvana has engaged several experienced practitioners in the field of bio-pharmaceutical research. In addition to our Chief Technical Officer and Chief Operating Officer, whose biographies are provided below in item 13.11, we have engaged Dr. Massimo Nabissi, an associate professor of Technical Sciences in Laboratory Medicine at the University of Camerino, to lead all pre-clinical and clinical trials for the Company. He has published numerous studies, and is the chief executive officer of Integrative Therapy Discovery Lab.

(i) Near-Term Objectives

The Resulting Issuer anticipates to have the following funds on closing of the Transaction and shortly thereafter:

Approximate working capital of the Issuer as at February 28, 2022	$158,668
Loan receivable, bearing interest at 5% per annum from 1042104 B.C. Ltd., a company controlled by Randy Rosiek, a related party to the Issuer [1]	$315,703
Total	$474,371

1. The principal of the loan receivable is $307,000 and as at February 28, 2022, the loan has accrued interest of $8,703.12.

The following table sets out the principal purposes for which the Resulting Issuer intends to use its available funds over approximately twelve months, as well as the anticipated timing to complete near-term objectives:

Objective	Anticipated Timing	Anticipated Cost
In-house research and development	n/a	$ 92,000
General and administrative expenses:	n/a	$159,600
- Audit $18,000		
- Office expenses $12,000		
- Investor relations and marketing $5,000		
- Transfer agent $24,000		
- Legal and regulatory compliance $26,000		
- Rent $74,600		
Unallocated working capital	n/a	$222,771
Total		$474,371

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives. As the amounts shown in the table above are estimates, the actual amount that the Resulting Issuer spends on each business objective may be different and will depend on a number of factors, some of which are alluded to in "Risk Factors" below.

(j) Miscellaneous

Nirvana has two full-time employees currently. Its business is not seasonal nor cyclical in nature. The Company currently has no foreign operations, except for the pre-clinical trials being conducted at the University of Camerino in Italy and the research being performed in New Delhi, India.

4.2 This item is not applicable.

4.3 This item is not applicable.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

	Fiscal 2021 ($)	**Fiscal 2020 ($)**	**Fiscal 2019 ($)**
Revenues:	Nil	Nil	Nil
Net Gain/Loss (excluding foreign exchange gains/losses)	(254,475)	(314,239)	13,307
Net Gain/Loss Per Share (Basic and Diluted)	(0.05)	(0.07)	0.01
Total Assets	523,491	2,358	4,375
Long-Term Liabilities	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil

5.2 Quarterly Information

Quarter Ended	Revenues ($)	Net Gain/Loss ($)	Basic & Diluted Profit per Share ($)
October 31, 2021	Nil	(138,474)	(0.02)
July 31, 2021	Nil	(65,908)	(0.01)
April 30, 2021	Nil	4,623	0.00
January 31, 2021	Nil	(54,716)	(0.01)
October 31, 2020	Nil	(70,085)	(0.02)
July 31, 2020	Nil	(61,215)	(0.01)
April 30, 2020	Nil	(116,686)	(0.03)
January 31, 2020	Nil	(66,253)	(0.02)

5.3 There are no restrictions which could prevent the Issuer from paying dividends. The Issuer's policy with respect to dividends is that the decision to distribute dividends is at the sole discretion of the Issuer's board of directors (the "Board").

5.4 This item is not applicable.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Issuer's management discussion and analysis ("MD&A") for the year ended October 31, 2021 are attached hereto as Appendix B.

7. MARKET FOR SECURITIES

7.1 The Shares are expected to be listed on the CSE under the symbol "NIRV", subject to the Issuer satisfying the applicable listing conditions of the CSE. The Shares were listed previously on the CSE under the symbol "WWM" but the Issuer was delisted from the CSE on December 6, 2016.

8. CONSOLIDATED CAPITALIZATION

8.1 There have been no material changes to the share and loan capital of the Issuer since October 31, 2021, except for a $185,000 loan to Nirvana, $100,000 of which is repayable on May 30, 2022 and the remaining $85,000 on June 30, 2022. The loan is unsecured and bears interest at a rate of 10% per annum.

It is expected that after giving effect to the Transaction, the Issuer will have 33,020,139 Shares issued and outstanding on a non-diluted basis, and 33,320,139 Shares on a fully diluted basis (see Item 14 *Capitalization* below for more details).

9. OPTIONS TO PURCHASE SECURITIES

Stock Options Granted To:	**Options as at March 9, 2022**
Executive officers, past and present [(1)]	100,000
Directors who are or were not also executive officers, past and present [(1)]	200,000
Employees, past and present	Nil
Consultants	Nil
Any other person	Nil
Aggregate total of all classes	300,000

(1) See "Stock Options and Other Compensation Securities" in Item 15, *Executive Compensation* for detailed disclosure with respect to the stock options which were granted.

10. DESCRIPTION OF THE SECURITIES

10.1 The Issuer has only one class of equity securities: common shares. Holders of Shares are entitled to one vote per share; to receive dividends if and when declared by the board of directors; and to participate *pro rata* in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer, subject to the rights of preferred shareholders. The Shares are not subject to any pre-emptive rights; conversion or exchange rights; redemption, retraction, purchase for cancellation or surrender rights; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities and any other material restrictions; or provisions requiring a securityholder to contribute additional capital.

10.2 The Issuer has no debt securities.

10.3 This item is not applicable.

10.4 The Issuer has no other securities.

10.5 This item is not applicable.

10.6 This item is not applicable.

10.7 Within the twelve months before the date hereof, the only sale of Shares by the Issuer was a private placement closed on August 11, 2021, whereby 910,100 Shares were sold at $0.35 per Share.

10.8 This item is not applicable, due to the fact that the Issuer's Shares have not been trading on any stock exchange since December 6, 2016.

11. ESCROWED SECURITIES

11.1 As at the date hereof, the following Shares are in escrow:

Designation of class held in escrow	Number of securities held in escrow	Percentage of class
Common shares	537,951	9%

Notes:
(1) The escrow agent for the escrowed securities is Computershare Trust Company of Canada.
(2) Under an escrow agreement dated June 4, 2014, 117,592 Shares were placed into escrow and set for release in tranches over 36 months. All of these escrowed Shares would have been released by now but for the fact that a cease trade order was issued against the Issuer on March 1, 2016 (which has since been revoked). Consequently, these escrowed Shares are waiting for release pending approval by the CSE.
(3) Under an escrow agreement dated March 23, 2015, 419,999 Shares were placed into escrow and set for release in tranches over 36 months. All of these escrowed Shares would have been released by now but for the fact that a cease trade order was issued against the Issuer on March 1, 2016 (which has since been revoked). Consequently, these escrowed Shares are waiting for release pending approval by the CSE.

Upon closing of the Transaction, the Shares of Principals (as that term is defined under National Policy 46-201) and Related Persons (as that term is defined under CSE policies) of the Resulting Issuer will be subject to escrow restrictions under an escrow agreement (the "Escrow Agreement") prescribed by National Policy 46-201. The Escrow Agreement stipulates that the escrowed Shares be released according to a schedule as follows:

Release Dates	**Securities to be Released**
Completion date of the Acquisition	1/10 of the escrow securities
6 months after the completion date of the Acquisition	1/6 of the escrow securities
12 months after the completion date of the Acquisition	1/5 of the escrow securities
18 months after the completion date of the Acquisition	1/4 of the escrow securities
24 months after the completion date of the Acquisition	1/3 of the escrow securities
30 months after the completion date of the Acquisition	1/2 of the escrow securities
36 months after the completion date of the Acquisition	The remaining escrow securities

It is expected that the following Shares will be held in escrow after closing of the Transaction:

Designation of class held in escrow	**Number of securities held in escrow**	**Percentage of class**
Common shares	21,177,379	64%

Notes:
(1) The escrow agent for these securities will be Computershare Trust Company of Canada.
(2) The percentage shown in the table is calculated on an undiluted basis, and such percentage drops to 62% when calculated on a fully diluted basis.
(3) Of the 21,177,379 Shares expected to be held in escrow, 11,083,809 belong to directors and officers of the Resulting Issuer.

12. PRINCIPAL SHAREHOLDERS

12.1 To the knowledge of the Issuer's directors and senior officers, as at the date hereof, the only person who beneficially owns, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the Issuer's issued and outstanding common shares on an undiluted basis is:

	Shareholder Name	**Number of Shares**	**Percentage**
Before giving effect to the Transaction	Vobis Consulting Group Inc.	1,706,666	24%
After giving effect to the Transaction	Sazzad Hossain	3,900,000	11.8%

13. DIRECTORS AND OFFICERS

Name, Municipality of Residence and Current Position with the Issuer	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised (B)	Principal Occupation for the Past Five Years
Bruce Clark Vancouver, BC *Director, President and CEO*	December 4, 2017	1,706,666 (C)	Entrepreneur and principal of Broadwing Renewables Inc. and Hai Beverages Inc.
Annie Storey (A) Burnaby, BC *Director*	April 10, 2017	400,000	President of ISG Professional Services Inc.
Chris Hoffmeister Vancouver, BC *Director*	December 4, 2017	Nil	CEO of Select Wine Merchants Inc.
Edward Lupton West Vancouver, BC *Director*	January 8, 2020	Nil	Executive Chairman of Select Wine Merchants Inc.
Mark Marissen (A) Vancouver, BC *Director*	January 8, 2020	Nil	Principal of Burrard Strategies Inc.
Connie Hang (A) Vancouver, BC *CFO*	n/a	320,000 (D)	President of Excellere Financial Inc.

Notes:
(A) Denotes member of the Audit Committee.
(B) These amounts do not include stock options which are disclosed under "Stock Option Plan".
(C) These Shares are held by Vobis Consulting Group Inc., a company controlled by Mr. Clark.
(D) These Shares are held by Excellere Financial Inc., a company controlled by Ms. Hang.

Except as disclosed below, none of the Issuer's directors or officers is or, within the 10 years before the date hereof, has been:

a) a director or executive officer of any Issuer (including the Issuer) that:

   i) while that person was acting in that capacity or after the person ceased to be a director or executive officer but which resulted from an event that occurred while that person was acting in the capacity, was subject to an order; or

   ii) while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

b) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the nominee;

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

d) subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Annie Storey was the CFO of the Issuer when: (a) it was granted a Management Cease Trade Order by the B.C. Securities Commission ("BCSC") on March 1, 2016, (b) the BCSC issued a cease trade order against the Issuer on May 3, 2016, and (c) the Ontario Securities Commission ("OSC") issued a cease trade order against the Issuer on May 6, 2016. The Management Cease Trade Order was revoked on September 22, 2017. Both the BCSC and OSC revoked their cease trade order on October 15, 2019.

13.10 Conflicts of Interest:

Except for Annie Storey (who is the CFO of Bell Copper Corporation) and Connie Hang (who is the CFO of Bearclaw Capital Corp.), none of the Issuer's current directors and officers is a director or officer of any other public company. In management's view, no conflict of interest currently exists amongst the directors and officers of the Issuer with respect to their positions with other companies. Under the *Business Corporations Act* (British Columbia), directors are required to disclose their interest in a transaction or agreement, and if the board of directors considers the interest to be material, the conflicted director(s) must abstain from discussing and voting on the matter.

13.11 Members of Management:

Bruce Clark, President and Chief Executive Officer, 61 years old, is an entrepreneur with 20 years of diverse business experience. He is currently a principal of Broadwing Renewables Inc., Anyox Hydro Electric Corporation, Granby Terminal Project and Hai Beverages Inc. He was Vice President of Pacific Western Brewing Company Ltd., one of British Columbia's largest independent breweries, from 2002-2008 and 2016-2019. Mr. Clark is a part-time employee and will devote 50% of his time to the Issuer.

Connie Hang, Chief Financial Officer, 52 years old, is a CPA and CGA with over 20 years of experience in full-cycle accounting, audit preparation, project planning and regulatory compliance. Since 2009, she has been the founder and president of Excellere Financial Inc. Ms. Hang is a part-time employee and will devote 50% of her time to the Issuer.

Dr. Sazzad Hossain, proposed Chief Technical Officer, 64 years old, has more than 25 years of academic and industrial experience in drug discovery and natural health product development, and is the author of more than 50 peer-reviewed papers, primarily in the pharmacology, genetics and nutritional sciences. He was the co-founder and former Chief Scientific Officer of InMed Pharmaceuticals Inc., a clinical-stage company developing a pipeline of cannabinoid-based pharmaceutical drug candidates. He is also the founder of Entourage Biosciences Inc. Dr. Hossian was a Senior Scientist at the Biotechnology Research Institute of Canada's National Research Council. Under his tenure, he established a pharmacology laboratory to evaluate the safety and efficacy of drug candidates, cannabinoid-based and otherwise, for the treatment of cancer, cardiovascular and ocular diseases for the Canadian government. Dr. Hossain received his Ph.D. in Biology and M.S. (Honours) in Animal Genetics, both from Moscow State Academy of Veterinary Medicine & Biotechnology, and received post-doctoral training at the University of British Columbia. He will be a part-time employee and will devote 50% of his time to the Issuer.

Michael McCune, proposed Chief Operating Officer, 35 years old, is a seasoned entrepreneur and innovator in the cannabis extraction space. Since 2013, he has worked at Entourage Biosciences Inc., developing novel processes for producing API's for the cannabis industry. He led the development of an innovative cannabis distillation system that offers significant operational advantages and automation. Mr. McCune will be a full-time employee and will devote 100% of his time to the Issuer.

14. CAPITALIZATION

14.1 Issued Capital:

The following table shows the capitalization of the Issuer before the completion of the Acquisition:

	Number of Securities (non-diluted)	**% of Issued (non-diluted)**	**Number of Securities (fully diluted)**	**% of Issued (fully diluted)**
Total outstanding (A)	7,115,044	100%	7,415,044	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	2,426,666	34%	2,726,666	35%
Total Public Float (A-B)	4,688,378	66%	4,838,378	65%
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	Nil	0%	Nil	0%
Total Tradeable Float (A-C)	7,115,044	100%	7,415,044	100%

The following table shows the anticipated capitalization of the Issuer after the completion of the Acquisition:

	Number of Securities (non-diluted)	**% of Issued (non-diluted)**	**Number of Securities (fully diluted)**	**% of Issued (fully diluted)**
Total outstanding (A)	33,020,139	100%	33,320,139	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	20,583,809	62%	20,733,809	63%
Total Public Float (A-B)	12,436,330	38%	12,286,330	37%
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)*	21,177,379	64%	21,177,379	64%
Total Tradeable Float (A-C)	11,842,760	36%	12,142,760	37%

Notes:

* The number of securities shown in this row includes 537,951 Shares currently escrowed. As noted in section 11, these escrowed Shares may be released upon completion of the Transaction, in which case the number of securities subject to resale restrictions will be 20,639,428 and the total tradeable float will be 12,380,711 Shares on a non-diluted basis (representing 37% of the total Shares) and 12,680,711 Shares on a diluted basis (representing 38% of the total Shares.)

	Public Securityholders (Registered)		Public Securityholders (Beneficial)		Non-Public Securityholders (Registered & Beneficial)	
Size of Holding	**# of Holders**	**# of Securities**	**# of Holders**	**# of Securities**	**# of Holders**	**# of Securities**
1-99 securities	10	500	191	9,551	0	0
100-499 securities	0	0	0	0	0	0
500-999 securities	0	0	3	2,066	0	0
1000-1999 securities	1	1,000	2	2,975	0	0
2000-2999 securities	0	0	2	4,000	0	0
3000-3999 securities	0	0	1	3,333	0	0
4000-4999 securities	3	12,000	6	24,800	0	0
5000 or more securities	98	12,422,830	113	12,389,605	9	20,583,809
Total	**112**	**12,436,330**	**318**	**12,436,330**	**9**	**20,583,809**

14.2 Convertible Securities

Description of Security	Exercise Price	Number Outstanding	Number of listed securities issuable upon conversion / exercise
Stock options issued	$0.25	300,000	300,000

14.3 There are no other listed securities listed for issuance that are not included herein.

15. EXECUTIVE COMPENSATION

Oversight and Determination of Compensation

The Board as a whole has the responsibility of determining compensation for directors and senior management. The Board determines the compensation package for each NEO once a year, and due to the small size of the Issuer, the determination is based on the Directors' collective business experience and judgment rather than through a formal process with objective measures. Although no identifiable "peer group" is used as a compensation benchmark, the Board generally attempts to set each NEO's compensation to be commensurate with industry compensation of a similarly ranked executive.

In general, the Issuer's NEOs (defined below) may receive compensation that is a combination of (i) salary, wages or contractor payments; (ii) stock option grants; and (iii) bonuses, if any. No element of compensation is tied to a specific goal or performance criteria.

Director & NEO Compensation, Excluding Securities

The following table sets forth the particulars of compensation, excluding stock options and other compensation securities, paid to NEOs for the Issuer's two most recently completed financial years. NEOs are comprised of:

a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;

b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;

c) in respect of the Issuer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and

d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Name and Position	Fiscal year ended July 31,	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation(1)	Total compensation
Bruce Clark *President, CEO and Director*	2021	180,000	Nil	Nil	Nil	Nil	180,000
	2020	180,000	Nil	Nil	Nil	Nil	180,000
Connie Hang *CFO*	2021	60,000	Nil	Nil	Nil	Nil	60,000
	2020	60,000	Nil	Nil	Nil	Nil	60,000

Stock Options and Other Compensation Securities

The following table provides details of the stock option grants made by the Company to its Directors and NEOs during the most recently completed financial year:

Compensation Securities							
Name and Position	**Date of Issue/Grant, and Expiry Date**	**Type of Compensation Security**	**Number of Compensation Securities & Underlying Securities, and % of Class(1)**	**Issue, Conversion or Exercise Price (per share)**	**Closing Price of Security or Underlying Security on Date of Grant**	**Closing Price of Security or Underlying Security at Year End(2)**	**Number of Compensation Securities Held at Year End**
Bruce Clark *President, CEO and Director*	2020-02-03 2023-02-03	stock option	50,000 1%	$0.25	n/a	n/a	50,000
Annie Storey *Director*	2020-02-03 2023-02-03	stock option	50,000 1%	$0.25	n/a	n/a	50,000
Edward Lupton *Director*	2020-02-03 2023-02-03	stock option	50,000 1%	$0.25	n/a	n/a	50,000
Christopher Hoffmeister *Director*	2020-02-03 2023-02-03	stock option	50,000 1%	$0.25	n/a	n/a	50,000
Mark Marissen *Director*	2020-02-03 2023-02-03	stock option	50,000 1%	$0.25	n/a	n/a	50,000
Connie Hang *CFO*	2020-02-03 2023-02-03	stock option	50,000 1%	$0.25	n/a	n/a	50,000

(1) Each stock option allows the holder to purchase one Share (the underlying security) at the exercise price shown in the table. Percentage of class is derived by dividing the number of underlying securities by 4,750,515 Shares (the number of Shares issued and outstanding as at the end of most recently completed fiscal year).

(2) The Shares were not listed on any stock exchange on the date of grant, nor at the end of the fiscal year.

Stock Option Plan

The Issuer adopted a "rolling" 10% stock option plan (the "Plan") in order for the Issuer to attract and retain experienced and qualified directors, officers and employees. A copy of the Plan can be requested from the Issuer. The key terms of the Plan are provided below for reference only.

Eligibility. Only Directors, Officers, employees and consultants of the Issuer (collectively "Eligible Persons") are eligible to receive options under the Plan.

Number of Shares. The maximum number of Shares which may be reserved for options under the Plan at any time must not exceed 10% of the total number of Shares then outstanding on a non-diluted basis. In addition, the number of shares reserved for issuance to:

a) any one individual shall not exceed 5% of the number of Shares then outstanding in any twelve-month period;

b) any one consultant shall not exceed 2% of the number of Shares then outstanding in any twelve-month period; and

c) all individuals conducting investor relations' activities shall not, in aggregate, exceed 2% of the number of Shares then outstanding in any twelve-month period.

Term. The maximum term of options granted under the Plan is 10 years.

Vesting. The vesting period of each Option will be at the discretion of the Board.

Exercise Price. The exercise price of an option under the Plan is to be determined by the Board, provided that such price cannot be less than the Discounted Market Price (as that term is defined the Plan).

Termination of Options. No option may be exercisable if the optionee ceases to be an Eligible Person, except:

a) where the optionee's employment, engagement or directorship with the Issuer is terminated for any reason other than for cause, the optionee then has one year to exercise any outstanding options; and

b) in the event of an optionee's disability or death, the optionee's estate then may exercise any outstanding option within one year of the date upon which the optionee died or became disabled.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the Issuer's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plan approved by securityholders	300,000 common shares[(1)]	$0.25	175,051 common shares[(2)]
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	300,000 common shares		175,051 common shares

(1) These shares are to be issued upon exercise of outstanding incentive stock options.
(2) As at October 31, 2020, the Issuer had 4,750,515 Shares outstanding and accordingly a maximum 475,051 stock options are allowed to be granted.

The Plan is the Issuer's only equity compensation plan. For material features of the Plan, please see "Stock Option Plan" above.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 This item is not applicable.

16.2 This item is not applicable.

17. RISK FACTORS

AN INVESTMENT IN SECURITIES OF THE ISSUER IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

The following is a summary of certain known risk factors related to the Issuer which prospective investors should carefully consider before deciding to purchase our securities. It is not an exhaustive list of the risks and uncertainties that we face, and should be read in conjunction with the rest of the information in this prospectus.

Risks Related to the Issuer

Lack of Operating History and Profitability Concerns

The Issuer has a limited operating history, has incurred substantial losses since its inception, has no revenues and is not likely to have no revenues for the foreseeable future due to the fact that our research and development activities will take time to complete. We expect to incur net losses and negative cash flows during our research and development phase, and losses and negative cash flows may continue past this phase as we will need to earn significant revenues in order to cover the costs that will arise with commercialization such as production, marketing, and additional personnel expenses. We may not ever achieve profitability. Even if we do achieve profitability, we may not be able to sustain it.

Continuation as a Going Concern

Our continuation as a “going concern” is uncertain, as noted in our financial statements. Management has estimated that we will require additional financing to meet its obligations for the next fiscal year. Continued operations are dependent on our ability to complete equity financings, secure project debt financing, and generate profitable operations in the future. Our failure to achieve any of the foregoing will represent a material risk to the Issuer’s status as a “going concern”.

Failure to Develop Viable Product

There is no assurance that we will be able to develop commercially viable products, in particular psilocybin-based drug formulations. Since our research and development program is in its early stages, it will be a long time before we can determine, based on scientific evidence, that our formulations are safe and efficacious. For a drug to be approved by Health Canada, it must undergo rigorous multi-stage testing. (See Narrative.) Positive results from early preclinical research may not be indicative of positive results in the later stages of preclinical or clinical research. We cannot give assurance that our future studies, if any, will yield favourable results. Positive results may also be insufficiently significant in magnitude to warrant continuing with further research.

Even if our product ideas were to reach the clinical testing stage, there is no assurance that we will be able to conclude all phases of testing and development. Aside from the challenge of obtaining enough funding, the likelihood of success in creating safe and efficacious formulations depends on the intellectual acumen of our researchers. The ability to innovate is not something entirely in our control. We may never arrive at a product formulation which is viable for bringing to market.

Inability to Raise Capital

We will require significant capital to achieve our business objectives, and there is no assurance that we will be able to raise the necessary funds to do so, or be able to secure financing on favourable terms. Our ability to raise money depends on the state of capital markets, our attractiveness as a business compared to our competitors, the amount of funding that we are seeking, whether our shares are listed on a stock exchange at the time and our ability to find financiers willing and able to provide such financing. Some of these variables are beyond our control. If we fail to raise the required amount of capital at a given time, we may be forced to discontinue certain products or operations, reduce or forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place our business as a going concern into jeopardy.

Even if we were able to raise the requisite amount of money when needed, such financings may have undesirable effects. If we were to raise money through equity financings, our shareholders’ ownership interest will be diluted, and the terms of the equity securities may include liquidation or other preferences that may adversely affect our shareholders’ rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional capital through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our products, future revenue streams, research programs or to grant licenses on terms that may not be favourable.

Inaccurate Forecasts

We cannot forecast our revenues and expenses with accuracy, due to the fact that predictions are inherently difficult to make. Moreover, since we are proposing to commercialize our recycling process, for which we have no prior sales experience, it is challenging for us to forecast revenues for this business with a high degree of accuracy. Many factors may affect the actual revenues to be earned, including but not limited to the terms of the agreement that we enter into with a potential partner, economic conditions, actual demand for lithium-ion battery recycling, the effectiveness of marketing by ourselves or our partners and actions taken by our competitors. Many other factors also affect the actual expenses we incur, including but not limited to a sharp increase in inflation or raw material prices, changes in interest rates, unexpected breakdown of equipment, unanticipated delays in our supply chain or any other unforeseen expenditures. If our actual revenues or expenses differ significantly from our forecasts, we may experience a cash shortage or be forced to reallocate resources to remedy any problems arising from the variance, either of which may have a material adverse effect on our financial condition and profitability.

Loss of Key Personnel

We may not be able to attract or retain employees necessary to carry out certain key functions for our company. Although we strive to provide competitive compensation packages to our employees, it may not be enough to recruit the right candidates or keep employees from terminating their employment with us at any time. It takes time to find and train replacements for vacated positions, and consultants are not necessarily affordable or available to fill the gap. Any loss of key personnel will force us to reallocate resources in order to recruit and train replacements for the departed employees, and this may cause us to suffer financial losses or impede our growth. If we are unable to find suitable candidates for key personnel, the unfilled positions could seriously affect our ability to produce and market our products and services effectively.

Reliance on Third Parties

We rely on third parties to conduct a significant portion of our preclinical studies and propagation research. Such third parties may decide to cease working with us, or may dispute the terms of their contract. Any disruption or cessation of their services will lead to a delay in achieving our research and development objectives, or may cause us to miss it altogether. Moreover, since we do not exert the same degree of control over these contractors as we would if they were our employees, there is a risk that these third parties may not communicate with us or perform their duties as attentively or as diligently as they would if they were our employees. If any of these third parties fails to perform as expected, our research results may be delayed, suboptimal or inaccurate, thus causing us to either be hindered in advancing to the next stage of testing, or to decide to cancel the research altogether.

Another risk we face in involving third parties for our research and development is that these parties may claim that some or all of the intellectual property produced through our research and development program as their own. Although we have entered into agreements with our contractors to specifically protect against this risk, such a dispute nevertheless may arise as intellectual property boundaries are often murky. There is no assurance that we will prevail in any litigation arising from such disputes.

Similarly, since third parties are involved in our research and development, we are compelled to reveal our trade secrets to them. Although we have entered into confidentiality agreements with our contractors to specifically protect against this risk, the risk is nevertheless heightened. Unwanted disclosure of our trade secrets, whether deliberate or inadvertent, will result in loss of our competitive advantage and may force us to abandon a product idea.

Volatility of Share Price

The market price of the Shares, once listed on a stock exchange, may be subject to volatility. The factors influencing stock prices are numerous – including but limited to general socio-economic conditions, industry outlook, consumer trends and weather – and many of them are beyond our control. Fluctuations in the stock price can have a dramatic impact on our finances and hamper our ability to raise capital.

Litigation Risk

From time to time in the ordinary course of our business, we may be sued or be involved in various legal proceedings, be it commercial, securities, employment, class action and other claims, or be subject to governmental or regulatory investigations and proceedings. Such matters can be expensive, difficult, time-consuming and unpredictable. Moreover, should we be unsuccessful in such legal proceedings, we may be compelled to pay monetary damages. Any of the foregoing events may have a material adverse effect on our financial condition and profitability.

Changes in Economy

We are affected by changes in the broader economy, including but not limited to changes in interest rates, the unemployment rate, stock market volatility, availability of credit, government spending and consumer confidence. Such changes may lead to difficulty in obtaining capital, increases in debt costs, lower product sales, delays in payments, increases in raw material prices, and/or fewer business opportunities for us in terms of acquisitions, collaborations or expansions. The severity and duration of an economic downturn or deteriorating financial market conditions are unknown and beyond our control. Any change in the broader economy or in global financial markets may have a material adverse effect on our financial condition and profitability.

Changes in Law

As laws and regulations in Canada evolve, we may be negatively affected by certain changes in legislation. The scope of laws applicable to us is extensive and include but is not limited to laws regarding controlled substances, intellectual property, product safety and liability, securities, marketing, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of our products and services will have a significant impact on our finances. We may be required to modify our product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also to the expense of understanding and interpreting the legislation.

Our exposure to risk arising from changes in law increases with doing business in other countries. The laws of foreign nations may be very different from those in Canada and sometimes unclear. We may encounter difficulties in interpreting such laws and we may be less able to anticipate any upcoming changes due to our unfamiliarity with another legal regime. Considerable expense may be incurred to comply with foreign laws and regulations.

Force Majeure Events

We may be negatively affected by force majeure events, which are incidents that are beyond our control or reasonable foresight. Examples of force majeure events include, but not limited to, an act of God or natural disasters, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, acts of war (whether war be declared or not), labour strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. These events may prevent us from carrying on business, restrict our access to supplies or customers, or inflict damage on our assets.

A pertinent force majeure event is the COVID-19 pandemic which is still persisting as of the date hereof. The COVID-19 pandemic is expected to have a material effect on our business, financial condition or results of operations. Since March 2020, Canada and other nations around the world have imposed quarantines and restrictions on travel and commercial activities in order to avoid congregations of people. These measures have created disruptions in supply chains and caused shortages of materials, labour and other resources. While we have not been seriously affected by the restrictions from a logistical standpoint, if the restrictions were to continue for an extended period, we may not be able to carry out certain activities or suffer delays due to an inability to procure materials, labour or other resources in a timely manner. It is possible too that the COVID-19 pandemic may experience a resurgence which could lead to our operations being forced to shut down.

Equally significant is the global financial consequences arising from the outbreak of the coronavirus. Unemployment and business shutdowns have increased dramatically since the onset of the pandemic, and there is no assurance that this trend will end in the near future. If there is an economic slowdown, the demand for our products and services may decline. Moreover, an economic slowdown may restrict our access to capital.

Foreign Exchange Risk

We intend to sell our products and services in other countries, and we may source certain raw materials from abroad. Therefore, the strengthening or weakening of the Canadian dollar versus other currencies will affect the translation of our net revenues generated in these foreign currencies into Canadian dollars, and similarly, we may be forced to pay higher prices for certain ingredients that we import if the Canadian dollar weakens against the currency of the exporting country.

Uninsurable Risks

We may be subject to risks which are uninsurable or against which we may opt out of insuring due to the high cost of insurance premiums or other factors. If such risks result in a liability for us, payment of the liability will reduce our cash flow and may have a material adverse effect on our financial condition and profitability.

<u>Risks Related to the Psychedelic-Based Pharmaceutical Business</u>

Pharmaceutical Product Development Challenges

Achieving success in the pharmaceutical industry is notoriously difficult. For a product formulation to be approved by Health Canada or the FDA, it must be rigorously tested through preclinical studies and all three phases of clinical trials to demonstrate that the formulation is safe and efficacious for human use. Completing all necessary tests is a long and expensive endeavor. Regulatory approvals are required before each clinical trial and it typically takes years to obtain such approval. There is no assurance that we will be able to obtain the necessary approvals to begin or continue clinical testing.

Clinical trials are difficult to design and implement. They involve human subjects, and thus require patient recruitment. With each phase of clinical studies, the trials become progressively larger and more complex, requiring sometimes an increasing number of patients. Patient recruitment presents many challenges, and can be very costly. Assuming one can enroll enough patients with the required eligibility criteria, there are numerous other factors or events which can affect whether a clinical trial can be completed on time, on budget, or at all. One of the chief problems in running clinical studies is that the outcome of a study may not predict the success of a later one. Positive preclinical test results do not necessarily mean positive clinical test results, and even the results of an early clinical study may not predict the results of a later clinical study. Other factors or events which may affect the speed at which a clinical trial can be completed include:

regulatory authorities refusing to grant permission for the study, or suspending or terminating study due to concerns regarding patient safety, tolerability, efficacy or ethical issues

- patients failing to enroll or remain in the study
- patients failing to follow instructions, or dropping out of study
- delays or failure to obtain clinical supplies

- failure to procure appropriate testing site
- delayed or inaccurate data collection or analysis
- unexpected interim results
- changes to the drug formulation or manufacturing process, necessitating changes to the study
- results of a competitor's trial or an academic study which may change the product concept or preclude continuing any further
- changes in regulatory requirements
- lack of funds

The pace at which a clinical study is conducted has significant implications. The longer a study takes, the more costly it will become. If clinical study costs are too high, we will not be able to realize any return on investment as the price of a drug is constrained by market forces. Moreover, clinical study delays will help our competitors to bring products to market before us, or cause us to lose the exclusive right to commercialize a drug formulation in certain cases.

In addition to the risk of an overly lengthy testing period, we face the ultimate challenge of getting Health Canada to approve our product formulation. Our analysis of clinical data must be confirmed and interpreted by regulatory authorities, and their interpretation may differ from ours. The myriad of reasons that Health Canada may give to decline approval for our product include but is not limited to:

- insufficient data to support submissions
- failure to demonstrate that the product is safe or efficacious for its proposed indication
- failure of clinical trials to meet the level of statistical significance required for approval
- failure to demonstrate that the product's benefits outweigh its safety risks
- deficiencies in the proposed manufacturing process

Even if Health Canada were to approve our product formulation, there is a risk that it may grant approval for fewer or more limited indications than we request, or grant approval on the basis that the product label will not include certain claims. Health Canada may also make their approval contingent on the performance of post-marketing clinical trials, or impose a risk evaluation and mitigation strategy due to safety concerns. All of the foregoing will restrict our ability to market our product, which may have a material adverse effect on our business and profitability.

Controlled Substance Regulation

Psilocybin is a "controlled substance" as it is listed on Schedule III of the CDSA, and accordingly possession and use of psilocybin in Canada is strictly prohibited unless an exemption has been obtained from Health Canada. As explained earlier, we intend to apply for an exemption in the form of a Dealer's License under the Food and Drugs Regulations. There is no assurance that we will be granted a Dealer's License, and even we were granted the license, there is no assurance that we will be able to satisfy the ongoing compliance requirements to maintain the license. Failure in either respect will be detrimental to our business as we cannot conduct research if we are not able to possess or use psilocybin.

In addition, any violation of controlled substance laws and regulations may result in not only loss of permits or licenses, but also significant fines, penalties, and/or administrative sanctions, and could possibly even lead to criminal charges. Such serious consequences may have a material adverse effect on our business.

Commercialization Challenges

We will face challenges in commercializing our products, once we are near the point of receiving approval from the regulatory authorities. Our drug formulations must be manufactured, marketed and distributed, and we will need to seek business partners who have the means and resources to do so. There is no assurance that we will be able to find such business partners, nor any guarantee that we will be able to persuade them that the return on investment for our products will be positive. Furthermore, such a business partner may propose terms which we may not be willing to accept.

Immature Psychedelic Industry

The non-recreational psychedelic industry is still a relatively new market. Participants in this industry are hoping that with increasing awareness of the potential therapeutic benefits of psychedelics such as psilocybin, governments may relax regulation with respect to these controlled substances. This may never come to pass, however, and the stringent laws and regulations currently in place for psilocybin-based products may continue to hamper growth of its market. Our expectations with respect to market growth and market share may never be realized.

Even if psilocybin regulation eases up, there is no assurance that this will result in the Resulting Issuer meeting its revenue expectations. The growth rate of any market is unpredictable, and demand for psilocybin therapies may take too long to attain the level necessary for our investors to see a return on investment.

Finally, any nascent industry will not have the infrastructure and established protocols that a more mature industry will have. There are few, if any, standard practices with respect to propagation, production, quality assurance, marketing and distribution when it comes to psychedelic-based medical formulations. We may be compelled to expend resources to devise solutions to problems that would not be present in other industries, or to engage in activities to build infrastructure or create demand. Such expenditures will not only affect our financial results adversely, but may lead to missed opportunities due to the allocation of resources. Moreover, the wide range of uncertainties in the psychedelic industry may deter capital investment, thus making it difficult for us to raise the necessary funds to realize its business objectives.

Consumer Perceptions and Preferences

Psilocybin products face special marketing challenges due to their status as a controlled substance, and to consumer perception that “magic mushrooms” are dangerous hallucinogens with potentially addictive qualities. Accordingly, industry participants will have to spend considerable resources on marketing to overcome the negative perceptions. There is no assurance that any amount of marketing, by us or other industry players, will ever overcome the stigma associated with psilocybin, and accordingly, consumer demand for psilocybin therapies may not grow at expected rates.

Consumer preferences may also change in unfavorable ways. For instance, the public may not value natural health products in the same way in the future, or an alternative therapy for mood disorders may emerge which consumers prefer over psilocybin-based formulations. Adverse publicity about the psychedelic industry or about a particular product may also shake consumer confidence. Accordingly, changes in consumer preferences require monitoring and an adjustment of strategy, and if we fail to do either adequately, we may not attain profitability.

Competition

Although the development of psilocybin-based drugs is still in its infancy, there are already a number of other competitors in this industry segment. Some of these competitors are already in commercial operations, while others claim to have achieved milestones ahead of us. Notwithstanding the actual status of our competitors, we have to compete with them for capital, employees, customers, business partners and other resources. Such competition means we will not be able to command the kind of operating margins or market share that we would be able to in the absence of competitors. Moreover, some competitors are far better funded than we are, or have other resources and capabilities which give them an advantage. Such competitive pressures may have a material adverse effect on our business.

Intellectual Property Protection

Intellectual property is the cornerstone of our business. We may obtain patents for our drug formulations and proprietary technologies, or we may elect to keep them as trade secrets. Whatever the choice, our ability to obtain and enforce patents, protect our trade secrets and operate without infringing the exclusive rights of other parties will be crucial to our profitability.

Patents are granted when the applicant can prove that their process is novel, useful and non-obvious. Proving these three elements require extensive documentation, which often requires a patent lawyer and can be costly, and once submitted, the applicant has to wait several months for a patent examiner to review the application. Once reviewed by the patent examiner, the applicant may have to respond to questions and comments. Therefore, a patent application is usually a costly and time-consuming affair, and there is no assurance that we will be to submit a patent application or to eventually secure a patent. Furthermore, a patent may not provide complete protect against improper use by a competitor. The laws of some nations may provide weak or no protection for intellectual property, notwithstanding the registration of patents. The patents themselves may be contested by third parties, and competitors may either circumvent the patents or independently develop processes similar to our technology without infringing our patents. Patent enforcement is an expensive endeavour usually requiring legal action which would then divert much needed resources away from our business.

With respect to trade secrets, we rely on the confidentiality provisions of agreements signed with collaborators, advisors, consultants and employees to protect trade secrets. We are also careful in disclosing our proprietary information on a “need to know” basis. Nevertheless, our trade secrets may be disclosed to unintended parties either through an inadvertent leak or a deliberate breach of confidentiality agreements. Such a disclosure would be deleterious to our business as it depends on the protection of our trade secrets to maintain our competitive advantage.

Although we do not believe that our technologies infringe the proprietary rights of any third parties, infringement or invalidity claims may be asserted against us. We have acquired intellectual property from third parties; although our acquisition agreements contain representations and warranties with respect to the ownership of the intellectual property by their respective vendors, such declarations are not foolproof protection against infringement or invalidity claims. Defending an intellectual property claim can be time-consuming and costly, and losing such a claim may result not only in a court order to stop developing or selling our product, but possibly special damages.

Restrictions on Marketing

Currently, any marketing of controlled substances to consumers is illegal. The psychedelic industry is anticipating that the many prohibitions with respect to psilocybin and other controlled substances will be relaxed in the future, and that some form of marketing may be allowed to occur. However, there is no assurance that any of the laws with respect to psilocybin will change, and as such, we will be severely hindered from promoting its products at the commercialization stage. Without the ability to promote its products, we may never attain profitability.

Even if the possession, use and distribution of psilocybin were to be legalized, the marketing of prescription drugs in Canada is a highly regulated activity. Advertising materials must be reviewed and pre-cleared with advertising pre-clearance agencies to ensure compliance with the applicable regulatory provisions, guidance documents and codes of advertising. The advertising must not exceed the terms of the market authorization provided by Health Canada with respect to the drug’s character, value, quantity, composition, merit or safety. There are also limits placed on marketing activities other than advertising. The restrictions on prescription drug marketing will make it more difficult for us to earn revenues or to attain profitability, as we will require more resources to reach consumers than we would otherwise need for other types of products.

Operational Risks

Our operations involve the use of chemicals and hazardous substances which if handled improperly could result in personal injury and property damage, and if such substances were inadvertently released into the environment, we could be subject to penalties and be liable for removal or remediation costs.

18. PROMOTERS

18.1 No person or company can be considered a promoter of the Issuer within the last two years. Randy Rosiek can be considered a promoter of Nirvana. Mr. Rosiek owns 3,250,000 common shares of Nirvana through his wholly-owned corporation 1042104 B.C. Ltd., which constitutes 9.8% of the total issued and outstanding shares of Nirvana. 1042104 B.C. Ltd. borrowed $307,000 from the Company. The loan bears interest at a rate of 5% per annum and has to be repaid by March 15, 2022.

18.2 This item is not applicable.

19. LEGAL PROCEEDINGS

19.1 To the knowledge of the Issuer, there are no actual or contemplated legal proceedings to which the Issuer is a party or of which any of its assets are the subject matter.

19.2 During the three years preceding the date hereof, no penalty or sanction was imposed against the Issuer by a court or regulatory body, nor did the Issuer enter into any settlement agreement with any securities regulatory authority.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

20.1 To the best of the Issuer's knowledge, no informed person (a Director, Officer, holder of 10% or more of the Shares, or any associate or affiliate of the foregoing) has had any interest in any transaction which has materially affected or would materially affect the Issuer or any of its subsidiaries during the last three years.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 The Issuer's auditor is Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, located at #1500-1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

21.2 The Issuer's transfer agent is Computershare Investor Services Inc., located at 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

22. MATERIAL CONTRACTS

Except for contracts entered into by the Issuer in the ordinary course of business, the only current material contracts entered into within the last two years or currently anticipated to be entered into by the Issuer which can reasonably be regarded as presently material are:

(a) the Share Exchange Agreement, as amended (see "The Acquisition" under *Corporate Structure*); and
(b) the Escrow Agreement (see *Escrowed Securities*).

23. Interest of Experts

23.1 No person or company who is named as having prepared or certified a part of this Listing Statement (or a report or valuation described or included herein), has or will have an interest, direct or indirect, in the Issuer.

23.2 No person or company who is named as having prepared or certified a part of this Listing Statement (or a report or valuation described or included herein) holds any Shares.

24. Other Material Facts

24.1 There are no other material facts about the Issuer or its securities which have not been disclosed herein.

25. Financial Statements

25.1 The Issuer's audited financial statements for the preceding three fiscal years are attached hereto as Appendix A.

25.2 The Company's audited financial statements for the period ended April 30, 2021 and unaudited financial statements for the period ended October 31, 2021, as well as a pro-forma consolidated financial statement for the Resulting Issuer, are included in Appendix A.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Endocan Solutions Inc., hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Endocan Solutions Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

DATED at Vancouver, BC this 9th day of March, 2022.

"Bruce Clark"	*"Connie Hang"*
Bruce Clark, President & Chief Executive Officer	Connie Hang, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Bruce Clark"	*"Annie Storey"*
Bruce Clark, Director	Annie Storey, Director

Appendix A

Financial Statements

ENDOCAN SOLUTIONS INC.

FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Endocan Solutions Inc.

Opinion

We have audited the financial statements of Endocan Solutions Inc. (the "Company"), which comprise the statement of financial position as at October 31, 2021, and the statement of loss and comprehensive loss, changes in deficiency and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended October 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on February 24, 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Cherry Ho.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 28, 2022

ENDOCAN SOLUTIONS INC.
STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31

	Note		2021		2020
ASSETS					
Current assets					
Cash		$	475,786	$	2,253
GST recoverable			8,705		105
Prepaid expenses			48,000		-
Total assets		$	532,491	$	2,358
LIABILITIES AND DEFICIENCY					
Current liabilities					
Accounts payable and accrued liabilities	4	$	38,699	$	142,965
Amounts due to related parties	5		509,222		362,352
Loans payable to related parties	5		628		26,509
Total liabilities			548,549		531,826
Deficiency					
Share capital	6		5,409,521		4,641,636
Share-based payments reserve	7		189,387		189,387
Deficit			(5,614,966)		(5,360,491)
Total deficiency			(16,058)		(529,468)
Total liabilities and deficiency		$	532,491	$	2,358

Nature of business and going concern (Note 1)
Event after the reporting period (Note 13)

The financial statements were authorized for issue by the board of directors on February 28, 2022 and were signed on its behalf by:

"Bruce Clark" Director *"Christopher Hoffmeister"* Director

The accompanying notes are an integral part of these financial statements.

ENDOCAN SOLUTIONS INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED OCTOBER 31

	Note		2021		2020
EXPENSES					
Accounting and audit		$	14,950	$	7,950
Legal fees	5		25,653		3,513
Management fees	5		240,000		240,000
Office and miscellaneous			3,838		6,092
Professional fees			22,857		-
Rent	5		10,949		-
Share-based payments	7		-		45,687
Transfer agent and filing fees			15,478		10,997
Loss before items below			(333,725)		(314,239)
Other income			69,000		-
Gain on extinguishment of accounts payable			10,250		-
Loss and comprehensive loss for the year		$	(254,475)	$	(314,239)
Basic and diluted loss per common share	6	$	(0.05)	$	(0.07)
Weighted average number of common shares outstanding			5,244,934		4,657,437

The accompanying notes are an integral part of these financial statements.

ENDOCAN SOLUTIONS INC.
STATEMENTS OF CHANGES IN DEFICIENCY

	Note	Number of Shares		Share capital		Share-based payments reserve		Deficit		Total
Balance, October 31, 2019		2,323,849	$	4,161,636	$	143,700	$	(5,046,252)	$	(740,916)
Shares issued for debt settlement	6	2,426,666		480,000		-		-		480,000
Share-based payments	7	-		-		45,687		-		45,687
Comprehensive loss for the year		-		-		-		(314,239)		(314,239)
Balance, October 31, 2020		4,750,515	$	4,641,636	$	189,387	$	(5,360,491)	$	(529,468)
Private placements	6	1,914,529		670,085		-		-		670,085
Share issuance costs	6	-		(14,700)		-		-		(14,700)
Shares issued for debt settlement	6	450,000		112,500		-		-		112,500
Comprehensive loss for the year		-		-		-		(254,475)		(254,475)
Balance, October 31, 2021		7,115,044	$	5,409,521	$	189,387	$	(5,614,966)	$	(16,058)

The accompanying notes are an integral part of these financial statements.

ENDOCAN SOLUTIONS INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year		$ (254,475)	$ (314,239)
Items not affecting cash:			
Gain on extinguishment of accounts payable		(10,250)	-
Share-based payments		-	45,687
Changes in non-cash working capital items:			
GST recoverable		(8,600)	3,588
Prepaid expenses		(48,000)	-
Accounts payable and accrued liabilities		18,484	2,064
Amounts due to related parties		146,870	242,263
Net cash used in operating activities		(155,971)	(20,637)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		670,085	-
Share issuance costs		(14,700)	-
Loans payable to related parties		(25,881)	22,208
Net cash provided by financing activities		629,504	22,208
Change in cash during the year		473,533	1,571
Cash, beginning of the year		2,253	682
Cash, end of the year		$ 475,786	$ 2,253
NON-CASH FINANCING ACTIVITY			
Debt settled with issuance of common shares		$ 112,500	$ 480,000

The accompanying notes are an integral part of these financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Endocan Solutions Inc. (the "Company") was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at Suite 2100, 650 West Georgia Street, Vancouver, B.C. V6B 4N8. The Company was listed on the Canadian Securities Exchange (the "CSE") under the symbol "WWM". On August 18, 2016, the Company received a cease trade order due to failing to file its annual financial statements for fiscal 2015 and delisted from the CSE effective December 6, 2016. On October 21, 2019, the Company received the revocation of cease trade orders and has brought all its filings up to date. Management is actively pursuing business opportunities with a view to making an acquisition that will qualify the Company to re-list on the CSE.

Proposed transaction

On June 4, 2021, the Company announced the signing of a share exchange agreement whereby the Company proposed to acquire 100% of the issued and outstanding shares of Nirvana Life Sciences Inc. ("Nirvana") in exchange of approximately 39,000,000 common shares of the Company (the "Transaction"). Under the amendment signed on August 16, 2021, the Company will acquire 39,455,095 out of 39,827,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. The Company will seek a reactivation of its listing on the CSE.

On January 10, 2022, three shareholders of Nirvana surrendered a total of 13,750,000 common shares of Nirvana for cancellation. As a result, the share exchange agreement was further amended to reflect the fact that Endocan will be acquiring 25,905,095 Nirvana shares, which constitutes 99.34% of the issued and outstanding shares of Nirvana.

Completion of the Transaction will be subject to certain conditions, including but not limited to, completion of confirmatory due diligence by the Company, receipt of shareholder approvals, receipt of all necessary approvals of the Transaction by the CSE as the Company's reactivation transaction, the resulting issuer satisfying the listing requirements of the CSE, and the receipt of all necessary third-party consents.

Nirvana, a private company based in Vancouver, B.C., is a development company focused on developing novel therapeutic products derived from psychedelics. Nirvana was founded by researchers who believe that psychedelics-based medicines can offer new approaches to pain management as well as treatment for ailments such addiction, anxiety and depression. Nirvana's early focus is twofold; to develop psilocybin derived medicines that can break human addiction to opioids and to develop non-abusive delivery systems. Nirvana has received an exemption under Section 56 of Controlled Drugs and Substances Act (Canada) from Health Canada and is currently awaiting decision on its application for a Dealer's License under the Food and Drugs Regulations for its proposed laboratory facility in Vancouver.

Going concern of operations

These financial statements have been prepared on a going concern basis which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. The Company has a history of losses with no operating revenue. As at October 31, 2021, the Company reported a working capital deficiency of $16,058 and has an accumulated deficit of $5,614,966. The Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the next fiscal year. Continued operations are dependent on the Company's ability to complete equity financings, secure project debt financing, and / or generate profitable operations in the future. There is no assurance that further financing efforts will be successful or the Company will attain profitable levels of operations.

These financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

1. NATURE OF BUSINESS AND GOING CONCERN (cont'd…)

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds at this time. The Company will continue to monitor the impact of the pandemic on all aspects of its business and evaluate its impact on the Company's liquidity and future prospects.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Significant estimates and assumptions

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options using the Black-Scholes option pricing model, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

2. BASIS OF PREPARATION (cont'd…)

Significant judgments

The preparation of these financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in preparing the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its potential projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

ii) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these financial statements, unless otherwise indicated.

Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. None of the Company's financial assets are classified as FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. None of the Company's financial assets are classified as FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company’s cash is classified as financial asset at amortized cost.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statements of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

(ii) Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost which include accounts payables, amounts due to related parties and loans payable to related parties. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial assets is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to 12-month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company’s receivables the Company has no material loss allowance as at October 31, 2021 and 2020.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Earnings (loss) per share

Basic earnings (loss) per share (“EPS”) is calculated by dividing the EPS attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted EPS reflects all dilutive potential common shares equivalents, in the weighted average number of common shares outstanding during the period, if dilutive. Diluted and basic loss per share are the same because the effects of potential issuances of shares under stock options would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods using a graded-vesting approach. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award is considered a separate grant with a different vesting date and fair value and is accounted for on that basis.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

New accounting policies

There were no new or amended IFRS pronouncements effective November 1, 2020 that impacted the Company's financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2021		2020
Accounts payable	$	18,294	$	120,465
Accrued expenses		14,000		22,500
Other payable		6,405		-
	$	38,699	$	142,965

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

5. RELATED PARTY TRANSACTIONS

Amounts due to related parties of $509,222 (October 31, 2020 - $362,352) are comprised of management and legal fees charged by companies controlled by its directors and officers. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Included in loans payable to related parties are $628 (October 31, 2020 - $26,509) in advances from the CEO of the Company and companies with common directors. These loans are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended October 31, 2020, the Company issued 1,706,666 common shares to settle the loans of $320,000 payable to the company controlled by the CEO of the Company.

During the year ended October 31, 2020, the Company also entered into debt settlement agreements with companies controlled separately by a director and an officer of the Company to settle debt of $160,000 by issuing 720,000 common shares of the Company.

These related party creditors were not considered to be direct or indirect shareholders acting in the capacity of such. As the Company’s shares are not publicly traded, the Company determined that the fair value of the shares on the date of settlement could not be reliably measured. The Company assessed that the aggregate 2,426,666 common shares issued (Note 6) shall be measured to reflect the fair value of the debt extinguished under IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*. Due to the short-term nature, the fair value of the debt settled approximates the total carrying value of $480,000.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended October 31 is as follows:

		2021		2020
Management fees	$	240,000	$	240,000
Legal fees		-		3,513
Share-based payments		-		45,687
Total	$	240,000	$	289,200

5. RELATED PARTY TRANSACTIONS (cont'd…)

The Company entered into the following related party transactions during the year ended October 31, 2021:

a) Paid or accrued management fees of $180,000 (2020 - $180,000) to a company controlled by the CEO of the Company.

b) Paid or accrued management fees of $60,000 (2020 - $60,000) to a company controlled by the CFO of the Company.

c) Paid or accrued legal fees of $nil (2020 - $3,513) to the Corporate Secretary of the Company.

The Company has entered into services agreements with two companies controlled separately by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company for a total monthly base fee of $20,000, with no specified term. The services agreements may be terminated with a termination payment equal to six to twenty-four months of base fee.

6. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At October 31, 2021, the Company had 7,115,044 common shares outstanding (October 31, 2020 - 4,750,515).

Share issuance

During the year ended October 31, 2021, the Company:

a) Completed a non-brokered private placement of 1,914,529 common shares at a price of $0.35 per common share for gross proceeds of $670,085. The Company paid $14,700 as finders' fees in connection with the private placement.

b) Issued 450,000 common shares to settle debt of $112,500 pursuant to a settlement agreement with Robert van Santen (Note 12).

During the year ended October 31, 2020, the Company issued 2,426,666 common shares to settle debt of $480,000 due to related parties of the Company (Note 5).

Escrowed shares

As at October 31, 2020 and 2021, there were 537,951 common shares held in escrow.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended October 31, 2021 was based on the loss attributable to common shareholders of $254,475 (2020 - $314,239) and a weighted average number of common shares outstanding of 5,244,934 (2020 - 4,657,437).

7. SHARE-BASED PAYMENTS

Stock option plan

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, October 31, 2019	-	$ -
Granted	300,000	0.25
Balance, October 31, 2020 and 2021	300,000	$ 0.25
Exercisable at October 31, 2020 and 2021	300,000	$ 0.25
Weighted average fair value of options granted during the year	$ nil	(2020 - $0.15)

The options outstanding at October 31, 2021 have an exercise price of $0.25 and a weighted average remaining contractual life of 1.26 years.

The total share-based payment expense calculated for stock options granted during the year ended October 31, 2021 was $nil (2020 - $45,687) using the Black-Scholes option pricing model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2021	2020
Risk-free interest rate	-	1.35%
Expected life of options	-	3 Years
Expected annualized volatility	-	145%
Dividend rate	-	Nil
Expected forfeiture rate	-	0%
Price at grant date	-	$0.19

As at October 31, 2021, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
300,000	$ 0.25	February 2, 2023

8. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as subsequently measured at amortized cost; accounts payable, amounts due to related parties, and loans payable to related parties as subsequently measured at amortized cost. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: accounts payable (Note 4), amounts due to related parties and loans payable to related parties (Note 5).

The carrying amounts of cash, accounts payable, amounts due to related parties, and loans payable to related parties, carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at October 31, 2021, the Company had a cash balance of $475,786 and current liabilities of $548,549. The Company's financial liabilities include accounts payable, amounts due to related parties, and loans payable to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and advances from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The exposure to interest rates for the Company is considered minimal. The Company has not used any financial instrument to hedge potential fluctuations in interest.

9 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at October 31, 2021, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the year ended October 31, 2021.

10. INCOME TAXES

The effective income tax rates differ from Canadian statutory rates for the following reasons in the years ended October 31:

	2021	2020
Net income (loss) before income taxes	$ (254,475)	$ (314,239)
Statutory tax rate	27%	27%
Expected income tax expense (recovery) at statutory rates	$ (69,000)	$ (85,000)
Permanent differences	-	14,000
Other items	(80,000)	28,000
Change in unrecognized deferred tax assets	149,000	43,000
Deferred income tax expense	$ -	$ -

The nature and tax effect of the temporary differences giving rise to the unrecognized deferred tax assets are as follows:

	2021	2020
Non-capital loss carry forwards	$ 572,000	$ 423,000
Capital loss carry forwards	133,000	133,000
Unrecognized deferred income tax assets	$ 705,000	$ 556,000

As at October 31, 2021, the Company has non-capital losses of approximately $2,117,000 (2020 - $1,567,000) for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. These losses, if not utilized, will expire between 2032 and 2041.

11. CAPITAL MANAGEMENT

In the management of capital, the Company includes components of shareholders' deficiency in the definition of capital. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and development of medical marijuana business. The Board of Directors does not establish qualitative 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 is dependent upon external financing to fund its activities. In order to carry out the planned activities, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new opportunities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

12. CONTINGENCIES

On June 6, 2019, Robert van Santen, a former director of the Company, and Agilis Capital Corporation ("Agilis", a company controlled by Robert van Santen) filed a Notice of Civil Claim against the Company claiming a total of $301,882 as follows: $107,507 for outstanding fees, $180,000 in severance compensation, and $14,375 for GST and an unspecified amount for special damages. The outstanding fees plus applicable GST in the total amount of $115,000 were included in accounts payable and accrued liabilities on the statements of financial position as at October 31, 2020.

During the year ended October 31, 2021, the Company entered into a settlement agreement with Robert van Santen, whereby the Company issued 450,000 common shares of the Company to Robert van Santen in satisfaction of $112,500 owed to Robert van Santen and Robert van Santen accepted the settlement and terminated and released the Company from any and all actions and claims in respect of his involvement with the Company.

13. EVENT AFTER THE REPORTING PERIOD

Subsequent to October 31, 2021, the Company advanced a total of $185,000 to Nirvana, $100,000 of which is repayable on May 30, 2022 and the remaining $85,000 on June 30, 2022. The loans are unsecured and bear interest at a rate of 10% per annum.

ENDOCAN SOLUTIONS INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Endocan Solutions Inc.

Opinion

We have audited the consolidated financial statements of Endocan Solutions Inc. (the "Company") which comprise the consolidated statements of financial position as at October 31, 2020 and 2019, and the consolidated statements of income (loss) and comprehensive income (loss), changes in deficiency and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Paul Joseph Leedham.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
February 24, 2021

ENDOCAN SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31

	Note		2020		2019
ASSETS					
Current assets					
Cash		$	2,253	$	682
GST recoverable			105		3,693
Total assets		$	2,358	$	4,375
LIABILITIES AND DEFICIENCY					
Current liabilities					
Accounts payable and accrued liabilities	4	$	142,965	$	25,901
Amounts due to related parties	5		362,352		395,089
Loans payable to related parties	5		26,509		324,301
Total liabilities			531,826		745,291
Deficiency					
Share capital	6		4,641,636		4,161,636
Share-based payments reserve	7		189,387		143,700
Deficit			(5,360,491)		(5,046,252)
Total deficiency			(529,468)		(740,916)
Total liabilities and deficiency		$	2,358	$	4,375

Nature of business and going concern (Note 1)
Contingencies (Note 12)

The consolidated financial statements were authorized for issue by the board of directors on February 24, 2021 and were signed on its behalf by:

"Bruce Clark" Director *"Christopher Hoffmeister"* Director

The accompanying notes are an integral part of these consolidated financial statements.

ENDOCAN SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
YEARS ENDED OCTOBER 31

	Note	2020	2019
EXPENSES			
Accounting and audit		$ 7,950	$ 8,950
Legal fees	5	3,513	-
Loan interest	5	-	3,250
Management fees	5	240,000	60,000
Office and miscellaneous		6,092	740
Share-based payments		45,687	-
Transfer agent and filing fees		10,997	5,140
		(314,239)	(78,080)
Other income			
Interest income		-	297
Gain on extinguishment of amounts due to related parties		-	91,090
		-	91,387
Comprehensive income (loss) for the year		$ (314,239)	$ 13,307
Basic and diluted earnings (loss) per common share	6	$ (0.07)	$ 0.01
Weighted average number of common shares outstanding		4,657,437	2,323,849

The accompanying notes are an integral part of these consolidated financial statements.

ENDOCAN SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY

	Note	Number of Shares	Share capital	Share-based payments reserve	Deficit	Total
Balance, October 31, 2019		2,323,849	$ 4,161,636	$ 143,700	$ (5,046,252)	$ (740,916)
Shares issued for debt settlement	6	2,426,666	480,000	-	-	480,000
Share-based payments	7	-	-	45,687	-	45,687
Comprehensive loss for the year		-	-	-	(314,239)	(314,239)
Balance, October 31, 2020		4,750,515	$ 4,641,636	$ 189,387	$ (5,360,491)	$ (529,468)

	Note	Number of Shares	Share capital	Share-based payments reserve	Deficit	Total
Balance, October 31, 2018		2,323,849	$ 4,161,636	$ 143,700	$ (5,059,559)	$ (754,223)
Comprehensive income for the year		-	-	-	13,307	13,307
Balance, October 31, 2019		2,323,849	$ 4,161,636	$ 143,700	$ (5,046,252)	$ (740,916)

The accompanying notes are an integral part of these consolidated financial statements.

ENDOCAN SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss) for the year		$ (314,239)	$ 13,307
Items not affecting cash:			
Loan interest		-	3,250
Gain on extinguishment of amounts due to related parties		-	(91,090)
Share-based payments		45,687	-
Changes in non-cash working capital items:			
GST recoverable		3,588	13,965
Accounts payable and accrued liabilities		2,064	(6,282)
Amounts due to related parties		242,263	25,000
Net cash used in operating activities		(20,637)	(41,850)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from related party loans		22,208	3,451
Net cash provided by financing activities		22,208	3,451
Change in cash during the year		1,571	(38,399)
Cash, beginning of the year		682	39,081
Cash, end of the year		$ 2,253	$ 682
NON-CASH FINANCING ACTIVITY			
Debt settled with issuance of common shares		$ 480,000	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Endocan Solutions Inc. (the "Company") was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at 14th Floor – 1050 West Georgia Street, Vancouver, B.C. V6E 4H8. The Company was listed on the Canadian Securities Exchange (the "CSE") under the symbol "WWM". On August 18, 2016, the Company received a cease trade order due to failing to file its annual financial statements for fiscal 2015 and became delisted from the CSE effective December 6, 2016. On October 21, 2019, the Company received the revocation of cease trade orders and has brought all its filings up to date. The Company is actively pursuing business opportunities.

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. The Company has a history of losses with no operating revenue. As at October 31, 2020, the Company reported a working capital deficiency of $529,468 and has an accumulated deficit of $5,360,491. The Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the next fiscal year. Continued operations are dependent on the Company's ability to complete equity financings, secure project debt financing, and / or generate profitable operations in the future. There is no assurance that further financing efforts will be successful or the Company will attain profitable levels of operations.

These consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds at this time. The Company will continue to monitor the impact of the pandemic on all aspects of its business and evaluate its impact on the Company's liquidity and future prospects.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (cont'd…)

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned and controlled subsidiary, Worldwide Cannabis Consortium Inc. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

Subsequent to October 31, 2020, the Company filed an amalgamation application to amalgamate with Worldwide Cannabis Consortium Inc. and continue as one company effective November 1, 2020.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options using the Black-Scholes option pricing model, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in preparing the Company's consolidated financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its potential projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

ii) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the consolidated statements of income (loss) and comprehensive income (loss) in the period in which they arise. None of the Company's financial assets are classified as FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. None of the Company's financial assets are classified as FVTOCI.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's cash is classified as financial asset at amortized cost.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the consolidated statements of income (loss) and comprehensive income (loss). Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

(i) Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost which include accounts payables, amounts due to related parties and loans payable to related parties. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

(ii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial assets is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to 12-month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at October 31, 2020 and 2019.

Share-based payments

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods using a graded-vesting approach. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award is considered a separate grant with a different vesting date and fair value and is accounted for on that basis.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the EPS attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted EPS reflects all dilutive potential common shares equivalents, in the weighted average number of common shares outstanding during the period, if dilutive. Diluted and basic loss per share are the same because the effects of potential issuances of shares under stock options would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

New accounting policies

<u>IFRS 16 – Leases</u>

IFRS 16 – Leases ("IFRS 16") is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract: the lessee and the lessor. IFRS 16 eliminates the classification of leases as either operating or finance leases, as is currently required by IAS 17 – Leases, and instead introduces a single lessee accounting model. This standard was effective for years beginning on or after November 1, 2019. The Company does not have any leases and thus there was no material impact of adopting IFRS 16 on its consolidated financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Accounts payable	$ 120,465	$ 17,901
Accrued expenses	22,500	8,000
	$ 142,965	$ 25,901

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

During the year ended October 31, 2020, the Company reclassified $115,000 of payables due to a former director from amounts due to related parties to trade payables.

5. RELATED PARTY TRANSACTIONS

Amounts due to related parties of $362,352 (2019 - $395,089) are comprised of management fees charged to the Company by companies controlled by its directors and officers. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Included in loans payable to related parties are $26,509 (2019 - $4,301) in advances from the CEO of the Company and companies with common directors. These loans are unsecured, non-interest bearing, and have no specific terms of repayment.

In March 2018, the Company arranged a $150,000 loan facility with a company controlled by the former CEO of the Company. The loan was secured by a certain first priority security interest in all of the tangible and intangible property of the Company, bears interest at 3% per annum and is repayable on or before June 1, 2023. The Company was required to make a monthly payment of principal and interest based on an amortization of 60 months. As at October 31, 2019, the outstanding balance of the loan was $130,000 and the accrued interest was $5,000.

As at October 31, 2019, loans payable to related parties also included a loan of $185,000 transferred from a former director of the Company to a company controlled by the CEO of the Company. During the year ended October 31, 2020, the Company issued 1,706,666 common shares to settle the loans of $320,000 payable to the company controlled by the CEO of the Company.

During the year ended October 31, 2020, the Company also entered into debt settlement agreements with companies controlled separately by a director and an officer of the Company to settle debt of $160,000 by issuing 720,000 common shares of the Company.

These related party creditors were not considered to be direct or indirect shareholders acting in the capacity of such. As the Company's shares are not publicly traded, the Company determined that the fair value of the shares on the date of settlement could not be reliably measured. The Company assessed that the aggregate 2,426,666 common shares issued (Note 6) shall be measured to reflect the fair value of the debt extinguished under IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*. Due to the short-term nature, the fair value of the debt settled approximates the total carrying value of $480,000.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended October 31 is as follows:

	2020	2019
Management fees	$ 240,000	$ 60,000
Legal fees	3,513	-
Share-based payments	45,687	-
Total	$ 289,200	$ 60,000

The Company entered into the following related party transactions during the year ended October 31, 2020:

a) Paid or accrued management fees of $180,000 (2019 - $nil) to a company controlled by the CEO of the Company.
b) Paid or accrued management fees of $60,000 (2019 - $60,000) to a company controlled by the CFO of the Company.
c) Paid or accrued legal fees of $3,513 (2019 - $nil) to the Corporate Secretary of the Company.

The Company has entered into services agreements with two companies controlled separately by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company for a total monthly base fee of $20,000, with no specified term. The services agreements may be terminated with a termination payment equal to six to twenty-four months of base fee.

6. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At October 31, 2020, the Company had 4,750,515 common shares outstanding (2019 - 2,323,849).

Escrowed shares

As at October 31, 2020, there were 537,951 common shares held in escrow.

Share issuance

During the year ended October 31, 2020, the Company issued 2,426,666 common shares to settle debt of $480,000 due to related parties of the Company (Note 5).

Basic and diluted loss per share

The calculation of basic and diluted earnings (loss) per share for the year ended October 31, 2020 was based on the loss attributable to common shareholders of $314,239 (2019 - income of $13,307) and a weighted average number of common shares outstanding of 4,657,437 (2019 - 2,323,849).

7. SHARE-BASED PAYMENTS

Stock option plan

The Company has a stock option plan (the “Plan”) in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, October 31, 2018 and 2019	-	$ -
Granted	300,000	0.25
Balance, October 31, 2020	300,000	$ 0.25
Exercisable at October 31, 2020	300,000	$ 0.25
Weighted average fair value of options granted during the year	$ 0.15	(2019 - $nil)

7. SHARE-BASED PAYMENTS (cont'd…)

The options outstanding at October 31, 2020 have a exercise price of $0.25 and a weighted average remaining contractual life of 2.26 years.

The total share-based payment expense calculated for stock options granted during the year ended October 31, 2020 was $45,687 (2019 - $nil) using the Black-Scholes option pricing model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2020	2019
Risk-free interest rate	1.35%	-
Expected life of options	3 Years	-
Expected annualized volatility	145%	-
Dividend rate	Nil	-
Expected forfeiture rate	0%	-
Price at grant date	$0.19	-

As at October 31, 2020, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
300,000	$ 0.25	February 2, 2023

8. CAPITAL MANAGEMENT

In the management of capital, the Company includes components of shareholders' deficiency in the definition of capital. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and development of medical marijuana business. The Board of Directors does not establish qualitative 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 is dependent upon external financing to fund its activities. In order to carry out the planned activities, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new opportunities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements

9. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as subsequently measured at amortized cost; accounts payable, amounts due to related parties and loans payable to related parties as subsequently measured at amortized cost. Information on certain types of financial instruments is included elsewhere in these consolidated financial statements as follows: accounts payable (Note 4) and amounts due to related parties and loans payable to related parties (Note 5).

The carrying amounts of cash, accounts payable, amounts due to related parties, and loans payable to related parties carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company’s financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company’s exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations. GST recoverable is held with the Government of Canada, and as such, the Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at October 31, 2020, the Company had a cash balance of $2,253 and current liabilities of $531,826. The Company’s financial liabilities include accounts payable, amounts due to related parties and loans payable to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company’s operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and advances from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The loan facility (Note 5) is based on a fixed interest rate. The exposure to interest rates for the Company is considered minimal. The Company has not used any financial instrument to hedge potential fluctuations in interest.

10 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at October 31, 2020, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the year ended October 31, 2020.

11. INCOME TAXES

The effective income tax rates differ from Canadian statutory rates for the following reasons in the years ended October 31:

	2020	2019
Net income (loss) before income taxes	$ (314,239)	$ 13,307
Statutory tax rate	27%	27%
Expected income tax expense (recovery) at statutory rates	$ (85,000)	$ 3,600
Permanent differences	14,000	-
Other items	28,000	-
Change in unrecognized deferred tax assets	43,000	(3,600)
Deferred income tax expense	$ -	$ -

The nature and tax effect of the temporary differences giving rise to the unrecognized deferred tax assets are as follows:

	2020	2019
Non-capital loss carry forwards	$ 423,000	$ 380,000
Capital loss carry forwards	133,000	133,000
Unrecognized deferred income tax assets	$ 556,000	$ 513,000

As at October 31, 2020, the Company has non-capital losses of approximately $1,567,000 (2019 - $1,400,000) for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. These losses, if not utilized, will expire between 2033 and 2040.

12. CONTINGENCIES

On June 6, 2019, Robert van Santen, a former director of the Company, and Agilis Capital Corporation ("Agilis", a company controlled by Robert van Santen) filed a Notice of Civil Claim against the Company claiming a total of $301,882 as follows: $107,507 for outstanding fees, $180,000 in severance compensation, and $14,375 for GST and an unspecified amount for special damages. The Company intends to defend itself vigorously against all of the claims made by Agilis and Mr. van Santen. The Company is unable to determine the outcome of the claim as at October 31, 2020. The outstanding fees plus applicable GST in the total amount of $115,000 are included in accounts payable and accrued liabilities on the consolidated statements of financial position as at October 31, 2020 and 2019.

NIRVANA LIFE SCIENCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

Six Months Ended October 31, 2021

(Unaudited – Prepared by Management)

(EXPRESSED IN CANADIAN DOLLARS)

NIRVANA LIFE SCIENCES INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	October 31, 2021	April 30, 2021
ASSETS			
Current assets			
Cash		$ 101,658	$ 624,529
Receivables	4	16,161	7,128
Prepaid expenses and deposits	5	11,423	37,104
Loan receivable from related party	8	307,000	100,000
		436,242	768,761
Non-current asset			
Equipment	6, 8	388,467	434,289
Total assets		$ 824,709	$ 1,203,050
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 8,700	$ 18,125
Total liabilities		8,700	18,125
Equity			
Share capital	9	1,797,128	1,797,128
Deficit		(981,119)	(612,203)
Total equity		816,009	1,184,925
Total liabilities and equity		$ 824,709	$ 1,203,050

Nature of business and going concern (Note 1)

Events after the reporting period (Note 15)

The financial statements were authorised for issue by the Director on February 23, 2022 and were signed on its behalf by:

"Randy Rosiek" Director

The accompanying notes are an integral part of these financial statements.

NIRVANA LIFE SCIENCES INC.
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	Three Months Ended October 31, 2021	Three Months Ended October 31, 2020	Six Months Ended October 31, 2021	From incorporation on June 17, 2020 to October 31, 2020
EXPENSES					
Accounting and audit		$ 6,000	$ -	$ 6,000	$ -
Consulting	8	71,900	19,500	91,400	26,000
Depreciation		22,911	-	45,822	-
Legal		3,745	-	10,336	-
Marketing		8,500	-	8,917	-
Office and miscellaneous		14,701	115	23,896	115
Professional fees		-	-	11,139	-
Rent	8	17,756	15,772	35,511	22,267
Research and development	8, 11	117,003	20,035	140,623	96,631
Loss before items below		(262,516)	(55,422)	(373,644)	(145,013)
Interest income		2,782	-	4,728	-
Loss and comprehensive loss for the period		$ (259,734)	$ (55,422)	$ (368,916)	$ (145,013)
Basic and diluted loss per common share	9	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		39,827,095	32,134,762	39,827,095	31,667,595

The accompanying notes are an integral part of these financial statements.

NIRVANA LIFE SCIENCES INC.
INTERIM STATEMENT OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Deficit	Total equity
Balance, April 30, 2021		39,827,095	$ 1,797,128	$ (612,203)	$ 1,184,925
Comprehensive loss for the period		-	-	(368,916)	(368,916)
Balance, October 31, 2021		39,827,095	$ 1,797,128	$ (981,119)	$ 816,009

	Note	Number of Shares	Share capital	Deficit	Total equity
Balance, June 17, 2020		-	$ -	$ -	$ -
Shares issued for private placements	9	28,634,762	359,235	-	359,235
Shares issued for intellectual rights	9	3,500,000	70,000	-	70,000
Comprehensive loss for the period		-	-	(145,013)	(145,013)
Balance, October 31, 2020		32,134,762	$ 429,235	$ (145,013)	$ 284,222

The accompanying notes are an integral part of these financial statements.

NIRVANA LIFE SCIENCES INC.
INTERIM STATEMENT OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	Six Months Ended October 31, 2021	From incorporation on June 17, 2020 to October 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		$ (368,916)	$ (145,013)
Items not affecting cash:			
Accrued interest income		(4,728)	-
Depreciation		45,822	-
Shares issued for intellectual rights		-	70,000
Changes in non-cash working capital items:			
Receivables		(4,305)	-
Prepaid expenses and deposits		25,681	-
Accounts payable and accrued liabilities		(9,425)	-
Net cash used in operating activities		(315,871)	(75,013)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan advanced to related party		(207,000)	-
Net cash used in investing activities		(207,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		-	359,235
Net cash provided by financing activities		-	359,235
Change in cash during the period		(522,871)	284,222
Cash, beginning of the period		624,529	-
Cash, end of the period		$ 101,658	$ 284,222

There were no significant non-cash transactions during the six months ended October 31, 2021 and the period from incorporation on June 17, 2020 to October 31, 2020.

1. NATURE OF BUSINESS AND GOING CONCERN

Nirvana Life Sciences Inc. (the "Company" or "Nirvana") was incorporated on June 17, 2020 under the laws of British Columbia, Canada and maintains its head office at Suite 600, 905 West Pender Street, Vancouver, British Columbia, Canada, V6X 1L3. Its registered office is located at 1251 West Cordova Street, Vancouver, British Columbia, Canada, V6C 3P9. The Company is primarily engaged in the scientific research and development of therapeutic products derived from psychedelics. The Company is also focused on developing methodologies for standardized, quality-controlled extraction and purification of psychoactive compounds.

On June 4, 2021, the Company and its shareholders signed a share exchange agreement with Endocan Solutions Inc. ("Endocan") whereby Endocan agreed to acquire all of the 39,827,095 issued and outstanding common shares in the capital of Nirvana, by issuing each Nirvana shareholder one share of Endocan as consideration for each Nirvana share held by such shareholder (the "Transaction"). Under the amendment signed on August 16, 2021, Endocan will acquire 39,455,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. Endocan will seek a reactivation of its listing on the Canadian Securities Exchange (the "CSE"). As a result of a subsequent reduction of Nirvana's issued and outstanding (Note 15), on January 10, 2022, the Share Exchange Agreement was further amended to reflect the fact that Endocan will be acquiring 25,905,095 Nirvana shares, which constitutes 99.34% of the issued and outstanding shares of the Company.

Completion of the Transaction will be subject to certain conditions, including but not limited to, completion of confirmatory due diligence by the Company, receipt of shareholder approvals, receipt of all necessary approvals of the Transaction by the CSE as the Company's reactivation transaction, the resulting issuer satisfying the listing requirements of the CSE, and the receipt of all necessary third-party consents.

Going concern of operations

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its liabilities in the ordinary course of business. As at October 31, 2021, the Company has not yet achieved profitable operations, has an accumulated deficit of $981,119, and expects to incur further losses in the development of its business. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the future, in which case the Company may be unable to meet its obligations.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds at this time. The Company is closely monitoring the impact of the pandemic on all aspects of its business and adapting its business plans accordingly.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended April 30, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair value. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Significant estimates and assumptions

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) Depreciation of equipment is dependent upon estimates of useful lives. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgements

The preparation of these financial statements requires management to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in applying the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its working capital requirements and whether there are events or conditions that may give rise to material uncertainty.

(EXPRESSED IN CANADIAN DOLLARS)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual financial statements for the year ended April 30, 2021 were consistently applied to all the periods presented unless otherwise noted below.

New accounting standards

There were no new or amended IFRS pronouncements effective May 1, 2021 that impacted the Company's interim financial statements.

4. RECEIVABLES

	October 31, 2021	April 30, 2021
GST recoverable	$ 11,296	$ 6,991
Accrued interest on related party loan (Note 8)	4,865	137
	$ 16,161	$ 7,128

5. PREPAID EXPENSES AND DEPOSITS

	October 31, 2021	April 30, 2021
Prepayments to service vendors	$ 11,423	$ 30,604
Other	-	6,500
	$ 11,423	$ 37,104

6. EQUIPMENT

	October 31, 2021			April 30, 2021		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Laboratory equipment	$ 458,223	$ 69,756	$ 388,467	$ 458,223	$ 23,934	$ 434,289

(EXPRESSED IN CANADIAN DOLLARS)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2021	April 30, 2021
Accounts payables	$ 4,200	$ 10,375
Accrued expenses	4,000	7,250
Other payables	500	500
	$ 8,700	$ 18,125

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

8. RELATED PARTY TRANSACTIONS

During the period from incorporation on June 17, 2020 to April 30, 2021, a company controlled by the director of the Company borrowed $100,000 from the Company. The loan is unsecured, repayable on October 21, 2021 (subsequently extended to March 15, 2022), and bears interest at a rate of 5% per annum. During the six months ended October 31, 2021, the company controlled by the director of the Company borrowed additional $207,000 from the Company. The loan is unsecured, repayable on March 15, 2022, and bears interest at a rate of 5% per annum. As at October 31, 2021, the accrued interest receivable on the loans is $4,865.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel is as follows:

	Six Months Ended October 31, 2021	From incorporation on June 17, 2020 to October 31, 2020
Consulting fees	$ 79,000	$ 26,000
Research and development	37,534	26,631
Total	$ 116,534	$ 52,631

The Company entered into the following related party transactions during the six months ended October 31, 2021:

a) Paid or accrued consulting fees of $39,000 (2020 - $26,000) to the Head of Operation and Extraction ("HOE") of the Company for operation consulting services provided.

b) Paid or accrued consulting fees of $37,534 (2020 - $26,631) to the Chief Scientific Officer ("CSO") of the Company for scientific research work provided.

c) Paid or accrued consulting fees of $40,000 (2020 - $nil) to the Chief Technology Officer ("CTO") of the Company for scientific research work provided.

d) Paid rent expenses of $35,511 (2020 - $22,267) for a proposed lab facility to a company controlled by the director of the Company pursuant to a sublease agreement.

8. RELATED PARTY TRANSACTIONS (cont'd…)

The Company has entered into a consulting agreement with the HOE of the Company for a monthly fee of $6,500. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

The Company has entered into a consulting agreement with the CSO of the Company for a monthly fee of US$5,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

The Company has entered into a consulting agreement with the CTO of the Company for a monthly fee of $10,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

9. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At October 31, 2021, the Company had 39,827,095 common shares outstanding (April 30, 2021 - 39,827,095 common shares) (Note 15).

Share issuance

During the period from incorporation on June 17, 2020 to April 30, 2021, the Company:

a) Issued 11,234,762 common shares to founders of the Company at a price of $0.001 per share for gross proceeds of $11,235.

b) Issued 17,400,000 common shares to founders of the Company at a price of $0.02 per share for gross proceeds of $348,000.

c) Completed a non-brokered private placement of 5,333,333 common shares at a price of $0.15 per share for gross proceeds of $800,000.

d) Completed a non-brokered private placement of 2,324,000 common shares at a price of $0.25 per share for gross proceeds of $581,000. The Company issued 35,000 common shares with a fair value of $8,470 as a finders' fee. The Company also incurred legal expenses of $13,108 in connection with the private placement.

e) Issued 3,500,000 common shares with a total value of $70,000 pursuant to an intellectual property purchase agreement and the amount was charged to research and development expense during the period on the statement of loss and comprehensive loss (Note 11).

(EXPRESSED IN CANADIAN DOLLARS)

9. SHARE CAPITAL (cont'd…)

Basic and diluted loss per share

The calculation of basic and diluted earnings per share for the six months ended October 31, 2021 was based on the loss attributable to common shareholders of $368,916 (2020 - $145,013) and a weighted average number of common shares outstanding of 39,827,095 (2020 - 31,667,595).

10. SHARE-BASED PAYMENTS

The Company has a stock option plan under which it is authorized to grant stock options or restricted stock units ("RSU") to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant, subject to a minimum price of $0.10 per share. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The Company had no stock option or RSU transactions during the six months ended October 31, 2021 and the period from incorporation on June 17, 2020 to October 31, 2020.

The Company had no stock options or RSUs outstanding at April 30, 2021 and October 31, 2021.

11. RESEARCH AND DEVELOPMENT

Components of research and development costs are as follows:

	Six Months Ended October 31, 2021	From incorporation on June 17, 2020 to October 31, 2020
Consulting fees	$ 42,534	$ 26,631
External laboratory costs	98,089	-
Intellectual rights (Note 9)	-	70,000
Total	$ 140,623	$ 96,631

12. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and loan receivable from related party as subsequently measured at amortized cost financial assets; and accounts payables as subsequently measured at amortized cost financial liabilities.

The carrying amounts of cash and trade and other payables carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, receivables, and loan receivable from related party. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Receivables mainly consist of recoverable is held with the Government of Canada. Loan receivable from related party is due from the director and major shareholder of the Company. Management does not expect these counterparties to fail to meet their obligations, and as such, the Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at October 31, 2021, the Company had current assets of $436,242 and current liabilities of $8,700. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings (Note 1). The Company is exposed to liquidity risk.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to their short-term nature and amounts.

13. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at October 31, 2021, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the six months ended October 31, 2021.

14. CAPITAL MANAGEMENT

In the management of capital, the Company includes components of shareholders' deficiency in the definition of capital. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and development of medical marijuana business. The Board of Directors does not establish qualitative 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 is dependent upon external financing to fund its activities. In order to carry out the planned activities, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new opportunities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements

15. EVENTS AFTER THE REPORTING PERIOD

i) On January 10, 2022, three shareholders of the Company surrendered a total of 13,750,000 common shares of the Company for cancellation. As of the date of these financial statements, the Company has 26,077,095 common shares issued and outstanding.

ii) The Company received loan advances totalling $185,000 from Endocan. The loans are unsecured and bears interest at a rate of 10% per annum. $100,000 loan advance is repayable on May 30, 2022 and the remaining $85,000 loan advance is repayable on June 30, 2022.

NIRVANA LIFE SCIENCES INC.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON JUNE 17, 2020 TO APRIL 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Director of Nirvana Life Sciences Inc.

Opinion

We have audited the financial statements of Nirvana Life Sciences Inc. (the "Company"), which comprise the statement of financial position as at April 30, 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

August 17, 2021

NIRVANA LIFE SCIENCES INC.
STATEMENT OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
AS AT APRIL 30, 2021

	Note		
ASSETS			
Current assets			
Cash		$	624,529
Receivables	4		7,128
Prepaid expenses and deposits	5		37,104
Loan receivable from related party	8		100,000
			768,761
Non-current asset			
Equipment	6, 8		434,289
Total assets		$	1,203,050
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	$	18,125
Total liabilities			18,125
Equity			
Share capital	9		1,797,128
Deficit			(612,203)
Total equity			1,184,925
Total liabilities and equity		$	1,203,050

Nature of business and going concern (Note 1)

Events after the reporting period (Note 16)

The financial statements were authorised for issue by the Director on August 17, 2021 and were signed on its behalf by:

"Randy Rosiek" Director

The accompanying notes are an integral part of these financial statements.

NIRVANA LIFE SCIENCES INC.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
PERIOD FROM INCORPORATION ON JUNE 17, 2020 TO APRIL 30, 2021

	Note		
EXPENSES			
Audit fees		$	12,500
Consulting	8		77,400
Depreciation			23,934
Investor relations			28,000
Office and miscellaneous			1,602
Professional fees			13,810
Rent	8		57,610
Research and development	8, 11		328,484
Loss before items below		$	(543,340)
Interest income			137
Due diligence fees			(69,000)
Loss and comprehensive loss for the period		$	(612,203)
Basic and diluted loss per common share	9	$	(0.02)
Weighted average number of common shares outstanding			34,717,489

The accompanying notes are an integral part of these financial statements.

NIRVANA LIFE SCIENCES INC.
STATEMENT OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares	Share capital	Deficit	Total equity
Balance, June 17, 2020		-	$ -	$ -	$ -
Shares issued for private placements	9	36,292,095	1,740,236	-	1,740,236
Shares issued for intellectual rights	9	3,500,000	70,000	-	70,000
Shares issued for finder's fee	9	35,000	-	-	-
Share issuance costs	9	-	(13,108)	-	(13,108)
Comprehensive loss for the period		-	-	(612,203)	(612,203)
Balance, April 30, 2021		39,827,095	$ 1,797,128	$ (612,203)	$ 1,184,925

The accompanying notes are an integral part of these financial statements.

NIRVANA LIFE SCIENCES INC.
STATEMENT OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
PERIOD FROM INCORPORATION ON JUNE 17, 2020 TO APRIL 30, 2021

	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		$	(612,203)
Items not affecting cash:			
Accrued interest income			(137)
Depreciation			23,934
Shares issued for intellectual rights			70,000
Changes in non-cash working capital items:			
Receivables			(6,991)
Prepaid expenses and deposits			(37,104)
Accounts payable and accrued liabilities			18,125
Net cash used in operating activities			(544,376)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan receivable due from related party			(100,000)
Purchase of equipment			(458,223)
Net cash used in investing activities			(558,223)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital			1,740,236
Share issuance costs			(13,108)
Net cash provided by financing activities			1,727,128
Change in cash during the period			624,529
Cash, beginning of the period			-
Cash, end of the period		$	624,529

There were no significant non-cash transactions during the period from incorporation on June 17, 2020 to April 30, 2021.

The accompanying notes are an integral part of these financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Nirvana Life Sciences Inc. (the "Company" or "Nirvana") was incorporated on June 17, 2020 under the laws of British Columbia, Canada and maintains its head office at Suite 600, 905 West Pender Street, Vancouver, British Columbia, Canada, V6X 1L3. Its registered office is located at 1251 West Cordova Street, Vancouver, British Columbia, Canada, V6C 3P9. The Company is primarily engaged in the scientific research and development of therapeutic products derived from psychedelics. The Company is also focused on developing methodologies for standardized, quality-controlled extraction and purification of psychoactive compounds.

Subsequent to April 30, 2021, the Company and its shareholders signed a share exchange agreement with Endocan Solutions Inc. ("Endocan") whereby Endocan agreed to acquire all of the 39,827,095 issued and outstanding common shares in the capital of Nirvana, by issuing each Nirvana shareholder one share of Endocan as consideration for each Nirvana share held by such shareholder (the "Transaction"). Under the amendment signed on August 16, 2021, Endocan will acquire 39,455,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. Endocan will seek a reactivation of its listing on the Canadian Securities Exchange (the "CSE").

Completion of the Transaction will be subject to certain conditions, including but not limited to, completion of confirmatory due diligence by the Company, receipt of shareholder approvals, receipt of all necessary approvals of the Transaction by the CSE as the Company's reactivation transaction, the resulting issuer satisfying the listing requirements of the CSE, and the receipt of all necessary third-party consents.

Going concern of operations

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its liabilities in the ordinary course of business. As at April 30, 2021, the Company has not yet achieved profitable operations, has an accumulated deficit of $612,203, and expects to incur further losses in the development of its business. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the future, in which case the Company may be unable to meet its obligations.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

<u>COVID-19 uncertainty</u>

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds at this time. The Company is closely monitoring the impact of the pandemic on all aspects of its business and adapting its business plans accordingly.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair value. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Significant estimates and assumptions

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) Depreciation of equipment is dependent upon estimates of useful lives. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgements

The preparation of these financial statements requires management to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in applying the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its working capital requirements and whether there are events or conditions that may give rise to material uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these financial statements, unless otherwise indicated.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset into operation and an initial estimate of the rehabilitation obligation.

Equipment are generally depreciated on a straight line basis over their estimated useful lives as follows:

Laboratory equipment	5 years

An item of equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of loss and comprehensive loss. The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for equipment and any changes arising from the assessment are applied by the Company prospectively.

Research and development

Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- how the intangible asset will generate probable future economic benefits;
- the availability of resources to complete the development; and
- its ability to measure reliably the expenditure during its development.

All of the Company's projects are currently at research phase, and therefore, costs are expensed in statement of loss and comprehensive loss during the period.

Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. None of the Company's financial assets are classified as FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. None of the Company's financial assets are classified as FVTOCI.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets at amortized cost comprise cash and loan receivable from related party.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as equity instruments at FVTOCI remain within accumulated other comprehensive income.

(ii) Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost which include accounts payable. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at April 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Earnings / loss per share

Basic earnings/loss per share is calculated by dividing the earnings/loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For the period presented, the earnings/loss attributable to common shareholders equals the reported earnings/loss attributable to owners of the Company. The diluted earnings/loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options, in the weighted average number of common shares outstanding during the period, if dilutive.

Share-based payments

Share-based payments to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted the Company's financial statements.

4. RECEIVABLES

GST recoverable	$	6,991
Accrued interest on related party loan (Note 8)		137
	$	7,128

5. PREPAID EXPENSES AND DEPOSITS

Prepayments to service vendors	$	30,604
Other		6,500
	$	37,104

(EXPRESSED IN CANADIAN DOLLARS)

6. EQUIPMENT

		Cost		Accumulated depreciation		Net book value
Laboratory equipment	$	458,223	$	23,934	$	434,289

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables	$	10,375
Accrued expenses		7,250
Other payables		500
	$	18,125

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

8. RELATED PARTY TRANSACTIONS

During the period from incorporation on June 17, 2020 to April 30, 2021, a company controlled by the director and major shareholder of the Company borrowed $100,000 from the Company. The loan is unsecured, repayable on October 21, 2021, and bears interest at a rate of 5% per annum.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the period from incorporation on June 17, 2020 to April 30, 2021 is as follows:

Consulting fees	$	68,900
Research and development		65,957
Total	$	134,857

8. RELATED PARTY TRANSACTIONS (cont'd…)

The Company entered into the following related party transactions during the period from incorporation on June 17, 2020 to April 30, 2021:

a) Paid or accrued consulting fees of $65,000 to the Head of Operation and Extraction ("HOE") of the Company for operation consulting services provided (included in the above table).

b) Paid or accrued consulting fees of $65,957 to the Chief Scientific Officer ("CSO") of the Company for scientific research work provided (included in the above table).

c) Paid or accrued consulting fees of $3,900 to the Director of Research of the Company for regulatory consulting services (included in the above table).

d) Purchased laboratory equipment of $317,000 from a company controlled by the director of the Company.

e) Paid rent expenses of $57,610 for a proposed lab facility to a company controlled by the director of the Company pursuant to a sublease agreement.

The Company has entered into a consulting agreement with the HOE of the Company for a monthly fee of $6,500. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

The Company has entered into a consulting agreement with the CSO of the Company for a monthly fee of US$5,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration

9. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At April 30, 2021, the Company had 39,827,095 common shares outstanding.

9. SHARE CAPITAL (cont'd…)

Share issuance

During the period from incorporation on June 17, 2020 to April 30, 2021, the Company:

a) Issued 11,234,762 common shares to founders of the Company at a price of $0.001 per share for gross proceeds of $11,235.

b) Issued 17,400,000 common shares to founders of the Company at a price of $0.02 per share for gross proceeds of $348,000.

c) Completed a non-brokered private placement of 5,333,333 common shares at a price of $0.15 per share for gross proceeds of $800,000.

d) Completed a non-brokered private placement of 2,324,000 common shares at a price of $0.25 per share for gross proceeds of $581,000. The Company issued 35,000 common shares with a fair value of $8,470 as a finders' fee. The Company also incurred legal expenses of $13,108 in connection with the private placement.

e) Issued 3,500,000 common shares with a total value of $70,000 pursuant to an intellectual property purchase agreement and the amount was charged to research and development expense during the period on the statement of loss and comprehensive loss (Note 11).

Basic and diluted loss per share

The calculation of basic and diluted earnings per share for the period from incorporation on June 17, 2020 to April 30, 2021 was based on the loss attributable to common shareholders of $612,203 and a weighted average number of common shares outstanding of 34,717,489.

10. SHARE-BASED PAYMENTS

The Company has a stock option plan under which it is authorized to grant stock options or restricted stock units ("RSU") to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant, subject to a minimum price of $0.10 per share. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The Company had no stock option or RSU transactions during the period from incorporation on June 17, 2020 to April 30, 2021.

The Company had no stock options or RSUs outstanding at April 30, 2021.

(EXPRESSED IN CANADIAN DOLLARS)

11. RESEARCH AND DEVELOPMENT

Components of research and development costs for the period from incorporation on June 17, 2020 to April 30, 2021 are as follows:

Consulting fees	$	80,957
External laboratory costs		172,929
Intellectual rights (Note 9)		70,000
Supplies and miscellaneous		4,598
Total	$	328,484

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes in the period from incorporation on June 17, 2020 to April 30, 2021 is as follows:

Loss before income taxes	$	(612,203)
Statutory tax rate		27%
Expected income tax recovery at statutory rates	$	(165,000)
Permanent differences		(6,000)
Change in unrecognized deferred tax assets		171,000
Deferred income tax expense	$	-

The Company has available for deduction against future taxable income non-capital losses of $593,000. These losses, if not utilized, will expire in 2041. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

The nature and tax effect of the temporary differences giving rise to the unrecognized deferred tax assets at April 30, 2021 are as follows:

Non-capital loss carry forwards	$	160,000
Capital cost allowance		6,000
Share issuance costs		5,000
Unrecognized deferred income tax assets	$	171,000

13. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and loan receivable from related party as subsequently measured at amortized cost financial assets; and accounts payables as subsequently measured at amortized cost financial liabilities.

The carrying amounts of cash and trade and other payables carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, receivables, and loan receivable from related party. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Receivables mainly consist of recoverable is held with the Government of Canada. Loan receivable from related party is due from the director and major shareholder of the Company. Management does not expect these counterparties to fail to meet their obligations, and as such, the Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at April 30, 2021, the Company had current assets of $768,761 and current liabilities of $18,125. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings (Note 1). The Company is exposed to liquidity risk.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to their short-term nature and amounts.

14. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at April 30, 2021, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the period from incorporation on June 17, 2020 to April 30, 2021.

15. CAPITAL MANAGEMENT

In the management of capital, the Company includes components of shareholders' deficiency in the definition of capital. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and development of medical marijuana business. The Board of Directors does not establish qualitative 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 is dependent upon external financing to fund its activities. In order to carry out the planned activities, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new opportunities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements

16. EVENTS AFTER THE REPORTING PERIOD

i) On May 27, 2021, a company controlled by the Sole Director and major shareholder of the Company borrowed $77,000 from the Company. The loan is unsecured, repayable on October 21, 2021, and bears interest at a rate of 5% per annum.

ii) On June 4, 2021, the Company and its shareholders signed a share exchange agreement with Endocan Solutions Inc. ("Endocan") whereby Endocan agreed to acquire all of the 39,827,095 issued and outstanding common shares in the capital of Nirvana, by issuing each Nirvana shareholder one share of Endocan as consideration for each Nirvana share held by such shareholder (the "Transaction"). Under the amendment signed on August 16, 2021, Endocan will acquire 39,455,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. Endocan will seek a reactivation of its listing on the Canadian Securities Exchange (the "CSE").

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESULTING ISSUER

NIRVANA LIFE SCIENCES INC.

(Expressed in Canadian Dollars)

October 31, 2021

(Unaudited – Prepared by Management)

NIRVANA LIFE SCIENCES INC.
PRO-FORMA STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2021
(Unaudited – Prepared by Management)

	Endocan Solutions Inc.	Nirvana Life Sciences Inc.	Note	Pro-forma Adjustments	Pro-forma Consolidated Balance
ASSETS					
Current assets					
Cash	$ 475,786	$ 101,658		$ -	$ 577,444
Receivables	8,705	16,161		-	24,866
Prepaid expenses and deposits	48,000	11,423		-	59,423
Loan receivable from related party	-	307,000		-	307,000
	532,491	436,242		-	968,733
Non-current asset					
Equipment	-	388,467		-	388,467
Total assets	$ 532,491	$ 824,709		$ -	$ 1,357,200
LIABILITIES AND EQUITY (DEFICIENCY)					
Current liabilities					
Accounts payable and accrued liabilities	$ 38,699	$ 8,700		$ -	$ 47,399
Amounts due to related parties	509,222	-		-	509,222
Loans payable to related parties	628	-		-	628
Total liabilities	548,549	8,700		-	557,249
Equity (deficiency)					
Share capital	5,409,521	1,797,128	2(a)	(5,409,521)	3,575,889
	-	-	2(a)	1,778,761	
Share-based payments reserve	189,387	-	2(a)	(189,387)	89,741
	-	-	2(b)	89,741	
Deficit	(5,614,966)	(981,119)	2(a)	(1,884,560)	(2,865,679)
	-	-	2(a)	5,614,966	
Total equity (deficiency)	(16,058)	816,009		-	799,951
Total liabilities and equity	$ 532,491	$ 824,709		$ -	$ 1,357,200

1. BACKGROUND AND BASIS OF PREPARATION

Background

Nirvana Life Sciences Inc. (the "Company" or "Nirvana") was incorporated on June 17, 2020 under the laws of British Columbia, Canada. The Company is primarily engaged in the scientific research and development of therapeutic products derived from psychedelics. The Company is also focused on developing methodologies for standardized, quality-controlled extraction and purification of psychoactive compounds.

Endocan Solutions Inc. ("Endocan") was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at 14th Floor – 1050 West Georgia Street, Vancouver, B.C. V6E 4H8.

On June 4, 2021, Nirvana, shareholders of Nirvana, and Endocan entered into a share exchange agreement (the "SEA") whereby Endocan agreed to acquire all of the 39,827,095 issued and outstanding common shares in the capital of Nirvana, by issuing each Nirvana shareholder one share of Endocan as consideration for each Nirvana share held by such shareholder (the "Transaction"). Under the amendment signed on August 16, 2021, Endocan will acquire 39,455,095 issued and outstanding common shares in the capital of Nirvana.

On January 10, 2022, three shareholders of Nirvana surrendered a total of 13,750,000 common shares of the Company for cancellation. As a result, the SEA was further amended to reflect the fact that Endocan will be acquiring 25,905,095 Nirvana shares, which constitutes 99.34% of the issued and outstanding shares of Nirvana.

Upon completion of the Transaction, Nirvana will become a subsidiary of Endocan. It is intended that the post-Transaction Endocan (the "Resulting Issuer") will change its name to Nirvana Life Sciences Inc. and will continue Nirvana's current business operations.

The unaudited pro-forma consolidated statement of financial position of Nirvana has been prepared by management after giving effect to the SEA.

Basis of preparation

The unaudited pro-forma consolidated statement of financial position has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") from information derived from the October 31, 2021 audited financial statements of the Company, together with other information available to the Company.

The unaudited pro-forma statement of financial position should be read in conjunction with the unaudited condensed interim financial statements of Nirvana for the six months ended October 31, 2021and the audited financial statements of Endocan for the year ended October 31, 2021.

The unaudited pro-forma statement of financial position of the Company has been compiled from and includes (i) the audited statement of financial position of the Company as at October 31, 2021, and ii) the unaudited statement of financial position of Endocan for the year ended October 31, 2021, giving effect to the Transaction as if it had occurred at October 31, 2021.

The unaudited pro-forma statement of financial position of the Company has been compiled using the significant accounting policies as set out in the Company's audited financial statements for the year ended October 31, 2021 and those accounting policies expected to be adopted by the Company.

The unaudited pro-forma statement of financial position are not necessarily indicative of the financial position that would have been attained had the Transactions actually taken place at the dates indicated and do not purport to be indicative of the effects that may be expected to occur in the future.

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro-forma statement of financial position has been presented giving effect to the following assumptions and transactions.

(a) Pursuant to the SEA and subsequent amendment, the Resulting Issuer will issue 25,905,095 common shares to the Nirvana shareholders to acquire 99.34% of the issued and outstanding shares of Nirvana.

As a result of the Transaction, the former shareholders of Nirvana will acquire control of Endocan. The Transaction constitutes a reverse acquisition of Endocan by Nirvana and is accounted for as a reverse acquisition in accordance with the guidance provided in IFRS 2, Share-based Payments and IFRS 3, Business Combinations. As Endocan does not meet the definition of a business as defined in IFRS 3, Business Combinations, the pro-forma financial position has been adjusted for the elimination of Endocan's share capital of $5,409,521, Share-based payments reserve of $189,387, and accumulated deficit of $5,614,966, within shareholders' equity.

For accounting purpose, Nirvana is treated as the accounting parent (legal subsidiary) and Endocan as the accounting subsidiary (legal parent). The Transaction is measured at the fair value of the common shares issued by the resulting issuer, being 7,115,044 common shares, and is determined as $1,778,761 based on the last equity transaction price of Company of $0.25 per share. The fair value of the Company's stock options was determined to be $89,741 using the Black Scholes Option Pricing Model based on the following assumptions: Stock price volatility - 145%; Risk-free interest rate - 0.98%; Stock price - $0.25 and an expected life of 1 year. The fair value of the consideration less the fair value of net assets acquired constitutes the listing expenses and is recorded in the statement of loss.

Consideration paid on RTO		
7,115,044 common shares	$	1,778,761
300,000 stock options		89,741
	$	1,868,502
Less: fair value of net assets acquired		
Cash	$	475,786
Receivables		8,705
Prepaid expenses		48,000
Accounts payable and accrued liabilities		(38,699)
Amounts due to related parties		(509,222)
Loans payable to related parties		(628)
Listing expense	$	1,884,560

b) The 300,000 stock options of Endocan outstanding at the time of the Transaction is valued at $89,741 using the Black-Sholes pricing model (assuming stock price of $0.25, a risk-free interest rate of 0.98%, an expected life of 1 year, annualized volatility of 145% and a dividend rate of 0%).

c) On January 10, 2022, three shareholders of Nirvana surrendered a total of 13,750,000 common shares of the Company for cancellation.

3. PRO-FORMA SHARE CAPITAL

The Company has authorized an unlimited number of common shares with no par value.

Share capital in the unaudited pro-forma consolidated financial position is comprised of the following:

	Note	Number of Shares		Share capital
Share capital of Endocan as at October 31, 2021		7,115,044	$	5,409,521
Share capital of Nirvana as at October 31, 2021		39,827,095		1,797,128
Endocan equity eliminated upon Transaction 2(a)		-		(5,409,521)
Endocan equity eliminated upon Transaction 2(c)		(13,750,000)		-
Value of common shares issued on reverse takeover transaction 2(a)		-		1,778,761
Balance, October 31, 2021		33,192,139	$	3,575,889

Appendix B

Management Discussion and Analysis

ENDOCAN SOLUTIONS INC.

(the "Company" or "Endocan")

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2021

The following management discussion and analysis ("MD&A") has been prepared by management as of February 28, 2022, and should be read in conjunction with the audited financial statements of the Company and related notes for the year ended October 31, 2021. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The assumptions used to develop forward-looking information include, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned business objectives;
- conditions in the financial markets generally;
- the Company's ability to secure the necessary consulting, technical and related services and supplies on favourable terms;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's plants, and the timing of the ability to commence its business operations;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned operations and the Company's ability to comply with such terms on a cost-effective basis; and
- the ongoing relations of the Company with the industry regulators.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. The Company does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the medical marijuana industry, such as the potential changes in government regulation, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as changes in interest rates and the condition of financial markets, and changes in exchange rates, and other risks identified herein under “Risks and Uncertainties”.

OVERVIEW

Endocan Solutions Inc. (the “Company”) was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at Suite 2100, 650 West Georgia Street, Vancouver, B.C. V6B 4N8. The Company was listed on the Canadian Securities Exchange (the "CSE") under the symbol “WWM”. In 2016, the Company was unable to file its audited annual financial statements for its financial year ended October 31, 2015 and the related Management’s Discussion and Analysis required under National Instrument 51-102 due to lack of capital required to complete the audit. As a result, the Company received a cease trade order on August 18, 2016, and delisted from the CSE effective December 6, 2016. On October 21, 2019, the Company received the revocation of cease trade orders and has brought all its filings up to date.

Proposed transaction

On June 4, 2021, the Company announced the signing of a share exchange agreement whereby the Company proposed to acquire 100% of the issued and outstanding shares of Nirvana Life Sciences Inc. (“Nirvana”) in exchange of approximately 39,000,000 common shares of the Company (the “Transaction”). Under the amendment signed on August 16, 2021, the Company will acquire 39,455,095 out of 39,827,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. The Company will seek a reactivation of its listing on the CSE.

On January 10, 2022, three shareholders of Nirvana surrendered a total of 13,750,000 common shares of Nirvana for cancellation. As a result, the share exchange agreement was further amended to reflect the fact that Endocan will be acquiring 25,905,095 Nirvana shares, which constitutes 99.34% of the issued and outstanding shares of Nirvana.

Completion of the Transaction will be subject to certain conditions, including but not limited to, completion of confirmatory due diligence by the Company, receipt of shareholder approvals, receipt of all necessary approvals of the Transaction by the CSE as the Company’s reactivation transaction, the resulting issuer satisfying the listing requirements of the CSE, and the receipt of all necessary third-party consents.

Nirvana, a private company based in Vancouver, B.C., is a development company focused on developing novel therapeutic products derived from psychedelics. Nirvana was founded by researchers who believe that psychedelics-based medicines can offer new approaches to pain management as well as treatment for ailments such addiction, anxiety and depression. Nirvana’s early focus is twofold; to develop psilocybin derived medicines that can break human addiction to opioids and to develop non-abusive delivery systems. Nirvana has received an exemption under Section 56 of Controlled Drugs and Substances Act (Canada) from Health Canada and is currently awaiting decision on its application for a Dealer’s License under the Food and Drugs Regulations for its proposed laboratory facility in Vancouver.

On September, 2021, the Company completed a non-brokered private placement of 1,914,529 common shares at a price of $0.35 per common share for gross proceeds of $670,085.

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds at this time. The Company will continue to monitor the impact of the pandemic on all aspects of its business and evaluate its impact on the Company’s liquidity and future prospects.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information for the Company which has been derived from the Company's audited financial statements for the fiscal years ended October 31, 2021, 2020, and 2019.

	Fiscal 2021 ($)	**Fiscal 2020** ($)	**Fiscal 2019** ($)
Revenues	-	-	-
Net income (loss)	(254,475)	(314,239)	13,307
Net income (loss) per share - basic and diluted	(0.05)	(0.07)	0.01
Total assets	532,491	2,358	4,375
Total non-current liabilities	-	-	-
Dividends	-	-	-

Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

Net income (loss) for the years ended October 31, 2021, 2020, and 2019 were ($254,475), ($314,239), and $13,307, respectively. The income (loss) for these fiscal years were mainly attributable to the general administrative expenses (2021 - $333,725, 2020 - $314,239, 2019 - $78,080), mitigated by gain from extinguishment of amounts due to related parties and accounts payable (2021 - $10,250, 2020 - $nil, 2019 - $91,090) and other income (2021 - $69,000, 2020 - $nil, 2019 - $297). The major factor contributing to the variance in general administrative expenses in fiscal 2020 and 2021 was the increase in management fees charged by the executive team (2021 - $240,000, 2020 - $240,000, 2019 - $60,000). The increase in total assets in fiscal 2021 is mainly due to the private placement financing of $670,085 completed during the fiscal year.

DISCUSSION OF OPERATIONS

The Company is currently reviewing business opportunities for acquisition and has not yet generated operating revenue. During the year ended October 31, 2021, the Company reported a net loss of $254,475 compared to a net loss of $314,239 incurred in the year ended October 31, 2020. The net loss in fiscal 2021 relates primarily to general administrative expenses of $333,725 (2020 - $314,239), partially offset by other income of $69,000 (2020 - $nil) and gain on extinguishment of accounts payable of $10,250 (2020 - $nil). Other income is a recovery of expenses from Nirvana for due diligence work related to the proposed transaction.

The general administrative expenses excluding share-based payment expenses for the year ended October 31, 2021 were $333,725 (2020 - $268,552). The variance is mainly attributable to:

- Accounting and audit fees of $14,950 (2020 - $7,950) have increased due to an increase in activities.
- Legal fees of $25,653 (2020 - $3,513) relate mainly to the proposed transaction and the listing application including preparation of the listing statement and regulatory communications.
- Professional fees of $22,857 (2020 - $nil) related to review work conducted patent specialists on Nirvana's technology and intellectual properties.
- Rent of $10,949 (2020 - $nil) relates to office space shared with a company with directors in common.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended on October 31, 2021.

	For the Three Months Ended

	Fiscal 2021				Fiscal 2020			
	Oct. 31, 2021	Jul. 31, 2021	Apr. 30, 2021	Jan. 31, 2021	Oct. 31, 2020	Jul. 31, 2020	Apr. 30, 2020	Jan. 31, 2020
	($)	($)	($)	($)	($)	($)	($)	($)
Total revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(138,474)	(65,908)	4,623	(54,716)	(70,085)	(61,215)	(116,686)	(66,253)
Net income (loss)	(138,474)	(65,908)	4,623	(54,716)	(70,085)	(61,215)	(116,686)	(66,253)
Income (loss) from continuing operations per share - basic and diluted	(0.02)	(0.01)	0.00	(0.01)	(0.02)	(0.01)	(0.03)	(0.02)
Net income (loss) per share - basic and diluted	(0.02)	(0.01)	0.00	(0.01)	(0.02)	(0.01)	(0.03)	(0.02)

Factors That Affect the Comparability of the Quarterly Financial Data Disclosed Above

The significant increase in loss in the fourth quarter of fiscal 2021 is due to an increase in activities related to the proposed transaction and the listing application. The net income in the second quarter of fiscal 2021 is a result of gain on reversal of accounts payable of $7,750 and other income of $69,000 from Nirvana for due diligence work related to the proposed transaction. The general administrative expenses excluding share-based payment expenses are generally consistent for all the quarters.

FOURTH QUARTER

During the fourth quarter ended October 31, 2020, the Company incurred a net loss of $138,474 (2020 - $70,085). The increase in loss during the current quarter is due to an increase in activities related to the proposed transaction and the listing application. Factors affecting the loss for the current quarter are similar to those explained under the “Discussion of Operations” Section.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2021, the Company had a cash balance of $475,786, an increase of $473,533 from the cash balance of $2,253 as at October 31, 2020. Cash used in operating activities totaled $155,971. The Company received net proceeds of $655,385 from a private placement financing and repaid $25,881 of advances from related parties during the year ended October 31, 2021.

The Company had a working capital deficiency of $16,058 as at October 31, 2021 compared to a working capital deficiency of $529,468 as at October 31, 2020.

At present, Management believes that the current cash and working capital position will be sufficient to fund the Company’s operating and capital requirements for at least the next 12 months. Should the Company obtain the necessary approvals for the proposed transaction, it would be required to raise additional capital to finance the development of Nirvana’s research projects. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company’s liquidity and future prospects.

Going Concern

At present, the Company’s operations do not generate cash flow and its financial success is dependent on management’s ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company’s financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Amounts due to related parties of $509,222 (October 31, 2020 - $362,352) are comprised of management and legal fees charged by companies controlled by its directors and officers. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Included in loans payable to related parties are $628 (October 31, 2020 - $26,509) in advances from the CEO of the Company and companies with common directors. These loans are unsecured, non-interest bearing, and have no specific terms of repayment.

A breakdown of related party balances is as follows:

		2021		2020
A company controlled by Bruce Clark, CEO	$	315,000	$	180,000
A company controlled by Annie Storey, Director		50,000		50,000
A company controlled by Gordon Fretwell, Corporate Secretary		79,222		78,102
A company controlled by Connie Hang, CFO		65,000		54,250
Bruce Clark, CEO		628		5,965
Companies with directors in common		-		20,544
	$	509,850	$	388,861

During the year ended October 31, 2020, the Company issued 1,706,666 common shares to settle the loans of $320,000 payable to the company controlled by the CEO of the Company.

During the year ended October 31, 2020, the Company also entered into debt settlement agreements with companies controlled separately by a director and an officer of the Company to settle debt of $160,000 by issuing 720,000 common shares of the Company.

These related party creditors were not considered to be direct or indirect shareholders acting in the capacity of such. As the Company's shares are not publicly traded, the Company determined that the fair value of the shares on the date of settlement could not be reliably measured. The Company assessed that the aggregate 2,426,666 common shares issued (Note 6) shall be measured to reflect the fair value of the debt extinguished under IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*. Due to the short-term nature, the fair value of the debt settled approximates the total carrying value of $480,000.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended October 31 is as follows:

		2021		2020
Management fees	$	240,000	$	240,000
Legal fees		-		3,513
Share-based payments		-		45,687
Total	$	240,000	$	289,200

The Company entered into the following related party transactions during the year ended October 31, 2021:

a) Paid or accrued management fees of $180,000 (2020 - $180,000) to a company controlled by the CEO of the Company.

b) Paid or accrued management fees of $60,000 (2020 - $60,000) to a company controlled by the CFO of the Company.

c) Paid or accrued legal fees of $nil (2020 - $3,513) to the Corporate Secretary of the Company.

The Company has entered into services agreements with two companies controlled separately by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company for a total monthly base fee of $20,000, with no specified term. The services agreements may be terminated with a termination payment equal to six to twenty-four months of base fee.

CONTINGENCIES

On June 6, 2019, Robert van Santen, a former director of the Company, and Agilis Capital Corporation ("Agilis", a company controlled by Robert van Santen) filed a Notice of Civil Claim against the Company claiming a total of $301,882 as follows: $107,507 for outstanding fees, $180,000 in severance compensation, and $14,375 for GST and an unspecified amount for special damages. The outstanding fees plus applicable GST in the total amount of $115,000 were included in accounts payable and accrued liabilities on the statements of financial position as at October 31, 2020.

During the nine months ended July 31, 2021, the Company entered into a settlement agreement with Robert van Santen, whereby the Company issued 450,000 common shares of the Company to Robert van Santen in satisfaction of $112,500 owed to Robert van Santen and Robert van Santen accepted the settlement and terminated and released the Company from any and all actions and claims in respect of his involvement with the Company.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at February 28, 2022, the Company has 7,115,044 common shares and 300,000 stock options issued and outstanding.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as subsequently measured at amortized cost; accounts payable, amounts due to related parties, and loans payable to related parties as subsequently measured at amortized cost. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: accounts payable, amounts due to related parties and loans payable to related parties.

The carrying amounts of cash, accounts payable, amounts due to related parties, and loans payable to related parties, carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at October 31, 2021, the Company had a cash balance of $475,786 and current liabilities of $548,549. The Company's financial liabilities include accounts payable, amounts due to related parties, and loans payable to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and advances from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The exposure to interest rates for the Company is considered minimal. The Company has not used any financial instrument to hedge potential fluctuations in interest.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options using stock option pricing models, requires the input of highly subjective assumptions, including the expected share price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

RISKS AND UNCERTAINTIES

Management is actively pursuing business opportunities with a view to making an acquisition that will qualify the Company to re-list on the CSE. The following is a description of important factors that may cause our actual results of operations in future periods to differ materially from those currently expected or discussed in the forward-looking statements set forth in this report relating to our financial results, operations and business prospects. Except as required by law, we undertake no obligation to update any such forward-looking statements to reflect events or circumstances after the date of this MD&A. These risks include, but are not limited to the following:

Additional funding requirements

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further acquisition and development of its projects when required. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further acquisition activities.

Business acquisition risk

A number of risks associated with business acquisition include: (i) potential disruption of our ongoing business; (ii) distraction of management; (iii) increased financial leverage; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully, or at all, or may take longer to realize than expected; (v) increased scope and complexity of our operations; and (vi) loss or reduction of control over certain of our assets. The presence of one or more material liabilities and/or commitments of an acquired company that are unknown to us at the time of acquisition could have a material adverse effect on our results of operations, business prospects and financial condition. A strategic transaction may result in a significant change in the nature of our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into our existing operations.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting standards

There were no new or amended IFRS pronouncements effective November 1, 2020 that impacted the Company's interim financial statements.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com.

APPROVAL

The Board of Directors of Endocan Solutions Inc. has approved the contents of this management discussion and analysis on February 28, 2022.

ENDOCAN SOLUTIONS INC.

(the "Company" or "Endocan")

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2020

The following management discussion and analysis ("MD&A") has been prepared by management as of February 24, 2021, and should be read in conjunction with the audited consolidated financial statements of the Company and related notes for the year ended October 31, 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The assumptions used to develop forward-looking information include, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned business objectives;
- conditions in the financial markets generally;
- the Company's ability to secure the necessary consulting, technical and related services and supplies on favourable terms;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's plants, and the timing of the ability to commence its business operations;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned operations and the Company's ability to comply with such terms on a cost-effective basis; and
- the ongoing relations of the Company with the industry regulators.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. The Company does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the medical marijuana industry, such as the potential changes in government regulation, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as changes in interest rates and the condition of financial markets, and changes in exchange rates, and other risks identified herein under "Risks and Uncertainties".

OVERVIEW

Endocan Solutions Inc. (the "Company") was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at 14th Floor – 1050 West Georgia Street, Vancouver, B.C. V6E 4H8. The Company was listed on the Canadian Securities Exchange (the "CSE") under the symbol "WWM". In 2016, the Company was unable to file its audited annual financial statements for its financial year ended October 31, 2015 and the related Management's Discussion and Analysis required under National Instrument 51-102 due to lack of capital required to complete the audit. As a result, the Company received a cease trade order on August 18, 2016, and became delisted from the CSE effective December 6, 2016. On October 21, 2019, the Company received the revocation of cease trade orders and has brought all its filings up to date.

The Company is actively pursuing business opportunities that are developing novel solutions or own unique intellectual property. The Company is currently focused on creating memoranda of understanding and/or letters of intent with these potential targets. The Company is also seeking financial resources from investors interested in participation in the ventures being created.

The Company appointed Edward Lupton and Mark Marissen as directors of the Company at its annual and special meeting held on January 8, 2020. The current directors of the Company are Bruce Clark, Christopher Hoffmeister, Annie Storey, Edward Lupton and Mark Marissen.

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds at this time. The Company will continue to monitor the impact of the pandemic on all aspects of its business and evaluate its impact on the Company's liquidity and future prospects.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information for the Company which has been derived from the Company's audited financial statements for the fiscal years ended October 31, 2020, 2019, and 2018.

	Fiscal 2020 ($)	**Fiscal 2019** ($)	**Fiscal 2018** ($)
Revenues	-	-	-
Net income (loss)	(314,239)	13,307	(129,252)
Net income (loss) per share - basic and diluted	(0.07)	0.01	(0.06)
Total assets	2,358	4,375	61,989
Total non-current liabilities	-	-	96,417

Dividends	-	-	-

Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

Net income (loss) for the years ended October 31, 2020, 2019, and 2018 were ($314,239), $13,307, ($129,252), respectively. The income (loss) for these fiscal years were mainly attributable to the general administrative expenses (2020 - $314,239, 2019 - $78,080, 2018 - $163,014), mitigated by gain from extinguishment of amounts due to related parties (2020 - $nil, 2019 - $91,090, 2018 - $33,762). The major factor contributing to the variance in general administrative expenses was management fees charged by the executive team (2020 - $240,000, 2019 - $60,000, 2018 - $90,000). The decrease in total assets in fiscal 2019 and 2020 is mainly due to administrative spending and no new financings during these fiscal years.

DISCUSSION OF OPERATIONS

The Company is currently reviewing several business opportunities for acquisition and has not yet generated operating revenue. During the year ended October 31, 2020, the Company reported a net loss of $314,239 compared to a net income of $13,307 incurred in the year ended October 31, 2019. The loss in fiscal 2020 relates primarily to general administrative expenses of $314,239 (2019 - $78,080). The income in fiscal 2019 included a gain from extinguishment of amounts due to related parties of $91,090.

The general administrative expenses excluding share-based payment expenses for the year ended October 31, 2020 were $268,552 (2019 - $78,080). The variance is mainly attributable to:

- Management fees of $240,000 (2019 - $60,000) relate to fees accrued to the Company's CEO and CFO. On November 1, 2019, the Company entered into a services agreement with the CEO of the Company for a monthly fee of $15,000.
- Transfer agent and filing fees of $10,997 (2019 - $5,140) have increased from the comparative period due to the increase in activities after the reactivation completed in October 2019 and costs related to the Company's annual general meeting held in January 2020.

Share-based payment expenses of $45,687 (2019 - $nil), a non-cash charge, are the estimated fair value of the stock options that were granted and vested during the period. The Company used the Black-Scholes option pricing model for the fair value calculation.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended on October 31, 2020.

	For the Three Months Ended							
	Fiscal 2020				Fiscal 2019			
	Oct. 31, 2020 ($)	Jul. 31, 2020 ($)	Apr. 30, 2020 ($)	Jan. 31, 2020 ($)	Oct. 31, 2019 ($)	Jul. 31, 2019 ($)	Apr. 30, 2019 ($)	Jan. 31, 2019 ($)
Total revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(70,085)	(61,215)	(116,686)	(66,253)	65,565	(17,200)	(18,315)	(16,743)
Net income (loss)	(70,085)	(61,215)	(116,686)	(66,253)	65,565	(17,200)	(18,315)	(16,743)
Income (loss) from continuing operations per share - basic and diluted	(0.02)	(0.01)	(0.03)	(0.02)	0.03	(0.01)	(0.01)	(0.01)
Net income (loss) per share - basic and diluted	(0.02)	(0.01)	(0.03)	(0.02)	0.03	(0.01)	(0.01)	(0.01)

Factors That Affect the Comparability of the Quarterly Financial Data Disclosed Above

The variance in net income (losses) in last eight quarter was mainly attributable to the change in management fees charged by the executive team (2020 Q4 - $60,000, 2020 Q3 - $60,000, 2020 Q2 - $60,000, 2020Q1 - $60,000, 2019 Q4 - $15,000, 2019 Q3 - $15,000, 2019 Q2 - $15,000, 2019 Q1 - $15,000). The net income in the fourth quarter of fiscal 2019 is a result of a gain recognized from extinguishment of amounts due to related parties of $91,090. The net loss in the second quarter of fiscal 2020 also included share-based payment expenses of $45,687. The general administrative expenses excluding share-based payment expenses are generally consistent for all the quarters.

FOURTH QUARTER

During the fourth quarter ended October 31, 2020, the Company incurred a net loss of $70,085 (2019 - income of $65,565). The current period's loss was mainly related to general administrative expenses of $70,085 (2019 - $25,525). Factors affecting the loss for the current quarter are similar to those explained under the "Discussion of Operations" Section.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2020, the Company had a cash balance of $2,253, an increase of $1,571 from the cash balance of $682 as at October 31, 2019. The Company spent $20,637 in operating activities and received $22,208 of advances from related parties during the year ended October 31, 2020.

The Company had a working capital deficiency of $529,468 as at October 31, 2020 compared to a working capital deficiency of $740,916 as at October 31, 2019.

At present, the Company does not have sufficient capital resources to fund its operating requirements for the next 12 months. Management is considering various financing options to raise capital. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Amounts due to related parties of $362,352 (2019 - $395,089) are comprised of management fees charged to the Company by companies controlled by its directors and officers. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Included in loans payable to related parties are $26,509 (2019 - $4,301) in advances from the CEO of the Company and companies with common directors. These loans are unsecured, non-interest bearing, and have no specific terms of repayment.

A breakdown of related party balances is as follows:

		2020		2019
A company controlled by Bruce Clark, CEO	$	180,000	$	320,000
A company controlled by Annie Storey, Director		50,000		150,000
A company controlled by Gordon Fretwell, Corporate Secretary		74,589		74,589
A company controlled by Connie Hang, CFO		54,250		55,500
Bruce Clark, CEO		5,965		850
Companies with directors in common		20,544		3,451
A company controlled by Robert Van Santen , former CEO*		-		115,000
	$	385,348	$	719,390

* Amounts due to Robert Van Santen as at October 31, 2019 have been reclassified to general trade payables.

In March 2018, the Company arranged a $150,000 loan facility with a company controlled by the former CEO of the Company. The loan was secured by a certain first priority security interest in all of the tangible and intangible property of the Company, bears interest at 3% per annum and is repayable on or before June 1, 2023. The Company was required to make a monthly payment of principal and interest based on an amortization of 60 months. As at October 31, 2019, the outstanding balance of the loan was $130,000 and the accrued interest was $5,000.

As at October 31, 2019, loans payable to related parties also included a loan of $185,000 transferred from a former director of the Company to a company controlled by the CEO of the Company. During the year ended October 31, 2020, the Company issued 1,706,666 common shares to settle the loans of $320,000 payable to the company controlled by the CEO of the Company.

During the year ended October 31, 2020, the Company also entered into debt settlement agreements with companies controlled separately by a director and an officer of the Company to settle debt of $160,000 by issuing 720,000 common shares of the Company.

These related party creditors were not considered to be direct or indirect shareholders acting in the capacity of such. As the Company's shares are not publicly traded, the Company determined that the fair value of the shares on the date of settlement could not be reliably measured. The Company assessed that the aggregate 2,426,666 common shares issued (Note 6) shall be measured to reflect the fair value of the debt extinguished under IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*. Due to the short-term nature, the fair value of the debt settled approximates the total carrying value of $480,000.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended October 31 is as follows:

		2020		2019
Management fees	$	240,000	$	60,000
Legal fees		3,513		-
Share-based payments		45,687		-
Total	$	289,200	$	60,000

The Company entered into the following related party transactions during the year ended October 31, 2020:

a) Paid or accrued management fees of $180,000 (2019 - $nil) to a company controlled by the CEO of the Company.

b) Paid or accrued management fees of $60,000 (2019 - $60,000) to a company controlled by the CFO of the Company.

c) Paid or accrued legal fees of $3,513 (2019 - $nil) to the Corporate Secretary of the Company.

The Company has entered into services agreements with two companies controlled separately by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company for a total monthly base fee of $20,000, with no specified term. The services agreements may be terminated with a termination payment equal to six to twenty-four months of base fee.

CONTINGENCIES

On June 6, 2019, Robert van Santen, a former director of the Company, and Agilis Capital Corporation ("Agilis", a company controlled by Robert van Santen) filed a Notice of Civil Claim against the Company claiming a total of $301,882 as follows: $107,507 for outstanding fees, $180,000 in severance compensation, and $14,375 for GST and an unspecified amount for special damages. The Company intends to defend itself vigorously against all of the claims made by Agilis and Mr. van Santen. The Company is unable to determine the outcome of the claim as at October 31, 2020. The outstanding fees plus applicable GST in the total amount of $115,000 are included in accounts payable and accrued liabilities on the consolidated statements of financial position as at October 31, 2020 and 2019.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at February 24, 2021, the Company has 4,750,515 common shares and 300,000 stock options issued and outstanding.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as subsequently measured at amortized cost; accounts payable, amounts due to related parties and loans payable to related parties as subsequently measured at amortized cost financial liabilities. Information on certain types of financial instruments is included elsewhere in these consolidated financial statements as follows: accounts payable (Note 4) and amounts due to related parties and loans payable to related parties (Note 5).

The carrying amounts of cash, accounts payable, amounts due to related parties, loans payable to related parties carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations. GST recoverable is held with the Government of Canada, and as such, the Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at October 31, 2020, the Company had a cash balance of $2,253 and current liabilities of $531,826. The Company's financial liabilities include accounts payable, amounts due to related parties and loans payable to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and advances from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The loan facility is based on a fixed interest rate. The exposure to interest rates for the Company is considered minimal. The Company has not used any financial instrument to hedge potential fluctuations in interest.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options using stock option pricing models, requires the input of highly subjective assumptions, including the expected share price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

RISKS AND UNCERTAINTIES

Management is actively pursuing business opportunities with a view to making an acquisition that will qualify the Company to re-list on the CSE. The following is a description of important factors that may cause our actual results of operations in future periods to differ materially from those currently expected or discussed in the forward-looking statements set forth in this report relating to our financial results, operations and business prospects. Except as required by law, we undertake no obligation to update any such forward-looking statements to reflect events or circumstances after the date of this MD&A. These risks include, but are not limited to the following:

Additional funding requirements

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further acquisition and development of its projects when required. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further acquisition activities.

Business acquisition risk

A number of risks associated with business acquisition include: (i) potential disruption of our ongoing business; (ii) distraction of management; (iii) increased financial leverage; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully, or at all, or may take longer to realize than expected; (v) increased scope and complexity of our operations; and (vi) loss or reduction of control over certain of our assets. The presence of one or more material liabilities and/or commitments of an acquired company that are unknown to us at the time of acquisition could have a material adverse effect on our results of operations, business prospects and financial condition. A strategic transaction may result in a significant change in the nature of our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into our existing operations.

NIRVANA LIFE SCIENCES INC.

(the “Company” or “Nirvana”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Ended October 31, 2021

The following management discussion and analysis (“MD&A”) has been prepared by management as of February 23, 2022, and should be read in conjunction with the unaudited interim financial statements and related notes of the Company for the six months ended October 31, 2021, and the audited consolidated financial statements of the Company and related notes for the period from incorporation on June 17, 2020 to April 30, 2021. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company’s future business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will” occur. Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management’s experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The assumptions used to develop forward-looking information include, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company’s planned business objectives;
- conditions in the financial markets generally;
- the Company’s ability to secure the necessary consulting, technical and related services and supplies on favourable terms;
- the Company’s ability to attract and retain key staff;
- the nature and location of the Company’s plants, and the timing of the ability to commence its business operations;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned operations and the Company’s ability to comply with such terms on a cost-effective basis; and
- the ongoing relations of the Company with the industry regulators.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. The Company does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the medical marijuana industry, such as the potential changes in government regulation, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as changes in interest rates and the condition of financial markets, and changes in exchange rates, and other risks identified herein under “Risks and Uncertainties”.

OVERVIEW

Nirvana Life Sciences Inc. (the "Company" or “Nirvana”) was incorporated on June 17, 2020 under the laws of British Columbia, Canada. The Company is primarily engaged in the scientific research and development of therapeutic products derived from psychedelics. The Company is also focused on developing methodologies for standardized, quality-controlled extraction and purification of psychoactive compounds.

Nirvana has acquired a portfolio of intellectual property from researchers with extensive experience in the psychedelics space. Based on some of these intellectual properties, Nirvana has developed a psilocybin-based formulation to mimic the effects of ibogaine with respect to addiction treatment. It has begun pre-clinical trials at the University of Camerino in Italy to see if its formulation will work to break an addiction to heroin in mice. If successful, Nirvana will continue with clinical trials with human subjects. Furthermore, the findings from all studies will be used to research and develop Nirvana’s second product: a psilocybin-based pain reliever that is non-addictive.

On June 4, 2021, the Company and its shareholders signed a share exchange agreement with Endocan Solutions Inc. (“Endocan”) whereby Endocan agreed to acquire all of the 39,827,095 issued and outstanding common shares in the capital of Nirvana, by issuing each Nirvana shareholder one share of Endocan as consideration for each Nirvana share held by such shareholder (the “Transaction”). Under the amendment signed on August 16, 2021, Endocan will acquire 39,455,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. Endocan will seek a reactivation of its listing on the Canadian Securities Exchange (the "CSE").

On January 10, 2022, three shareholders of the Company surrendered a total of 13,750,000 common shares of the Company for cancellation. As of the date of these MD&A, the Company has 26,077,095 common shares issued and outstanding. As a result, the Share Exchange Agreement was further amended to reflect the fact that Endocan will be acquiring 25,905,095 Nirvana shares, which constitutes 99.34% of the issued and outstanding shares of the Company.

Completion of the Transaction will be subject to certain conditions, including but not limited to, completion of confirmatory due diligence by the Company, receipt of shareholder approvals, receipt of all necessary approvals of the Transaction by the CSE as the Company’s reactivation transaction, the resulting issuer satisfying the listing requirements of the CSE, and the receipt of all necessary third-party consents.

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds at this time. The Company will continue to monitor the impact of the pandemic on all aspects of its business and evaluate its impact on the Company’s liquidity and future prospects.

DISCUSSION OF OPERATIONS

Three month period ended October 31, 2021

The Company is in the research and development phase and has not yet generated operating revenue. During the three months ended October 31, 2021, the Company reported a net loss of $259,734 (2020 - $55,422). The loss in 2021 quarter relates primarily to general operating expenses of $262,516 (2020 - $55,422). The main expense items are summarized as follows:

- Consulting fees of $71,900 (2020 - $19,500) relate mainly to fees to the Chief Technology Officer (“CTO”) and the Head of Operation and Extraction (“HOE”) of the Company for operation consulting services provided.
- Research and development of $117,003 (2020 - $20,035) include fees of $18,905 (2020 - $20,035) to the Company’s Chief Scientific Officer (“CSO”) and $98,098 (2020 - $nil) for contract research work from external labs.

Six month period ended October 30, 2021

During the six months ended October 30, 2021, the Company reported a net loss of $368,916 compared to a net loss of

$145,013 incurred in the six months ended October 30, 2020. The 2020 comparative period is from incorporation on June 17, 2020 to October 31, 2020. The loss in 2021 period relates primarily to general operating expenses of $373,644 (2020 - $145,013). Some of the significant expense items are summarized as follows:

- Consulting fees of $91,400 (2020 - $26,000) relate mainly to fees to the CTO and the HOE of the Company. The Company has entered into consulting agreements with the two officers for operation consulting services at a total monthly fee of $15,000.
- Rent of $35,511 (2020 - $22,267) relate to the sublease of a facility for a proposed lab.
- Research and development of $140,623 (2020 - $96,631) include fees to research consultants and contract research work from external labs.

SUMMARY OF QUARTERLY RESULTS

Quarterly information for periods prior to April 30, 2021 have not been presented as there is no requirement to present financial information for interim periods prior to the Company becoming a reporting issuer if the Company has not previously prepared financial statements for those periods. As a non-reporting issuer, the Company has not prepared any interim or quarterly financial statements since its inception on June 17, 2020 to April 30, 2021.

The following is the selected unaudited financial information for the Company's two most recent quarters ending with the last quarter for the three months ended October 30, 2021.

		October 31, 2021		April 30, 2021
Total revenues	$	-	$	-
Income (loss) from continuing operations	$	(259,734)	$	(109,182)
Net income (loss)	$	(259,734)	$	(109,182)
Income (loss) from continuing operations per share - basic and diluted	$	(0.01)	$	(0.00)
Net income (loss) per share - basic and diluted	$	(0.01)	$	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2021, the Company had a cash balance of $101,658, a decrease of $522,871 from the cash balance of $624,529 as at April 30, 2021. The Company spent $315,871 in operating activities and advanced a loan of $207,000 to a company controlled by the director of the Company.

The Company had a working capital of $427,542 as at October 31, 2021 compared to a working capital of $750,636 as at April 30, 2021.

If additional funds are required, the Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. Management is considering various financing options to raise capital. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the period from incorporation on June 17, 2020 to April 30, 2021, a company controlled by the director of the Company borrowed $100,000 from the Company. The loan is unsecured, repayable on October 21, 2021 (subsequently extended to March 15, 2022), and bears interest at a rate of 5% per annum. During the six months ended October 31, 2021, the company controlled by the director of the Company borrowed an additional $207,000 from the Company. The loan is unsecured, repayable on March 15, 2022, and bears interest at a rate of 5% per annum. As at October 31, 2021, the accrued interest receivable on the loans is $4,865.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel is as follows:

		Six Months Ended October 31, 2021		From incorporation on June 17, 2020 to October 31, 2020
Consulting fees	$	79,000	$	26,000
Research and development		37,534		26,631
Total	$	116,534	$	52,631

The Company entered into the following related party transactions during the six months ended October 31, 2021:

a) Paid or accrued consulting fees of $39,000 (2020 - $26,000) to the Head of Operation and Extraction ("HOE") of the Company for operation consulting services provided.

b) Paid or accrued consulting fees of $37,534 (2020 - $26,631) to the Chief Scientific Officer ("CSO") of the Company for scientific research work provided.

c) Paid or accrued consulting fees of $40,000 (2020 - $nil) to the Chief Technology Officer ("CTO") of the Company for scientific research work provided.

d) Paid rent expenses of $35,511 (2020 - $22,267) for a proposed lab facility to a company controlled by the director of the Company pursuant to a sublease agreement.

The Company has entered into a consulting agreement with the HOE of the Company for a monthly fee of $6,500. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

The Company has entered into a consulting agreement with the CSO of the Company for a monthly fee of US$5,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

The Company has entered into a consulting agreement with the CTO of the Company for a monthly fee of $10,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at February 23, 2022, the Company has 26,077,095 common shares issued and outstanding.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and loan receivable from related party as subsequently measured at amortized cost financial assets; and accounts payables as subsequently measured at amortized cost financial liabilities.

The carrying amounts of cash and trade and other payables carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, receivables, and loan receivable from related party. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Receivables mainly consist of recoverable is held with the Government of Canada. Loan receivable from related party is due from the director and major shareholder of the Company. Management does not expect these counterparties to fail to meet their obligations, and as such, the Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at October 31, 2021, the Company had current assets of $436,242 and current liabilities of $8,700. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to their short-term nature and amounts.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) Depreciation of equipment is dependent upon estimates of useful lives. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

RISKS AND UNCERTAINTIES

The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Lack of operating history and profitability concerns

The Company has a limited operating history, has incurred substantial losses since its inception, has no revenues and is not likely to have no revenues for the foreseeable future due to the fact that our research and development activities will take time to complete. We expect to incur net losses and negative cash flows during our research and development phase, and losses and negative cash flows may continue past this phase as we will need to earn significant revenues in order to cover the costs that will arise with commercialization such as production, marketing, and additional personnel expenses. We may not ever achieve profitability. Even if we do achieve profitability, we may not be able to sustain it.

Additional funding requirements

Substantial additional financing may be required if the Company is to be successful develop its business. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further research and development activities.

Immature Psychedelic Industry

The non-recreational psychedelic industry is still a relatively new market. Participants in this industry are hoping that with increasing awareness of the potential therapeutic benefits of psychedelics such as psilocybin, governments may relax regulation with respect to these controlled substances. This may never come to pass, however, and the stringent laws and regulations currently in place for psilocybin-based products may continue to hamper growth of its market. Our expectations with respect to market growth and market share may never be realized.

Even if psilocybin regulation eases up, there is no assurance that this will result in the Company meeting its revenue expectations. The growth rate of any market is unpredictable, and demand for psilocybin therapies may take too long to attain the level necessary for our investors to see a return on investment.

Finally, any nascent industry will not have the infrastructure and established protocols that a more mature industry will have. There are few, if any, standard practices with respect to propagation, production, quality assurance, marketing and distribution when it comes to psychedelic-based medical formulations. We may be compelled to expend resources to devise solutions to problems that would not be present in other industries, or to engage in activities to build infrastructure or create demand. Such expenditures will not only affect our financial results adversely, but may lead to missed opportunities due to the allocation of resources. Moreover, the wide range of uncertainties in the psychedelic industry may deter capital investment, thus making it difficult for us to raise the necessary funds to realize its business objectives.

Changes in law

As laws and regulations in Canada evolve, we may be negatively affected by certain changes in legislation. The scope of laws applicable to us is extensive and include but is not limited to laws regarding controlled substances, intellectual property, product safety and liability, securities, marketing, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of our products and services will have a significant impact on our finances. We may be required to modify our product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also to the expense of understanding and interpreting the legislation.

Our exposure to risk arising from changes in law increases with doing business in other countries. The laws of foreign nations may be very different from those in Canada and sometimes unclear. We may encounter difficulties in interpreting such laws and we may be less able to anticipate any upcoming changes due to our unfamiliarity with another legal regime. Considerable expense may be incurred to comply with foreign laws and regulations.

Controlled substance regulation

Psilocybin is a “controlled substance” as it is listed on Schedule III of the CDSA, and accordingly possession and use of psilocybin in Canada is strictly prohibited unless an exemption has been obtained from Health Canada. The Company intends to apply for an exemption in the form of a Dealer’s License under the Food and Drugs Regulations. There is no assurance that we will be granted a Dealer’s License, and even we were granted the license, there is no assurance that we will be able to satisfy the ongoing compliance requirements to maintain the license. Failure in either respect will be detrimental to our business as we cannot conduct research if we are not able to possess or use psilocybin.

In addition, any violation of controlled substance laws and regulations may result in not only loss of permits or licenses, but also significant fines, penalties, and/or administrative sanctions, and could possibly even lead to criminal charges. Such serious consequences may have a material adverse effect on our business.

Failure to develop viable product

There is no assurance that we will be able to develop commercially viable products, in particular psilocybin-based drug formulations. Since our research and development program is in its early stages, it will be a long time before we can determine, based on scientific evidence, that our formulations are safe and efficacious. For a drug to be approved by Health Canada, it must undergo rigorous multi-stage testing. (See Narrative.) Positive results from early preclinical research may not be indicative of positive results in the later stages of preclinical or clinical research. We cannot give assurance that our future studies, if any, will yield favourable results. Positive results may also be insufficiently significant in magnitude to warrant continuing with further research.

Even if our product ideas were to reach the clinical testing stage, there is no assurance that we will be able to conclude all phases of testing and development. Aside from the challenge of obtaining enough funding, the likelihood of success in creating safe and efficacious formulations depends on the intellectual acumen of our researchers. The ability to innovate is not something entirely in our control. We may never arrive at a product formulation which is viable for bringing to market.

Operational risks

Our operations involve the use of chemicals and hazardous substances which if handled improperly could result in personal injury and property damage, and if such substances were inadvertently released into the environment, we could be subject to penalties and be liable for removal or remediation costs.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on nirvanalifesciences.com.

APPROVAL

The Board of Directors of Nirvana Life Sciences Inc. has approved the contents of this management discussion and analysis on February 23, 2022.

NIRVANA LIFE SCIENCES INC.

(the "Company" or "Nirvana")

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM INCORPORATION ON JUNE 17, 2020 TO APRIL 30, 2021

The following management discussion and analysis ("MD&A") has been prepared by management as of August 17, 2021, and should be read in conjunction with the audited consolidated financial statements of the Company and related notes for the period from incorporation on June 17, 2020 to April 30, 2021. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The assumptions used to develop forward-looking information include, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned business objectives;
- conditions in the financial markets generally;
- the Company's ability to secure the necessary consulting, technical and related services and supplies on favourable terms;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's plants, and the timing of the ability to commence its business operations;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned operations and the Company's ability to comply with such terms on a cost-effective basis; and
- the ongoing relations of the Company with the industry regulators.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. The Company does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the medical marijuana industry, such as the potential changes in government regulation, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as changes in interest rates and the condition of financial markets, and changes in exchange rates, and other risks identified herein under "Risks and Uncertainties".

OVERVIEW

Nirvana Life Sciences Inc. (the "Company" or “Nirvana”) was incorporated on June 17, 2020 under the laws of British Columbia, Canada. The Company is primarily engaged in the scientific research and development of therapeutic products derived from psychedelics. The Company is also focused on developing methodologies for standardized, quality-controlled extraction and purification of psychoactive compounds.

Nirvana has acquired a portfolio of intellectual property from researchers with extensive experience in the psychedelics space. Based on some of these intellectual properties, Nirvana has developed a psilocybin-based formulation to mimic the effects of ibogaine with respect to addiction treatment. It has begun pre-clinical trials at the University of Camerino in Italy to see if its formulation will work to break an addiction to heroin in mice. If successful, Nirvana will continue with clinical trials with human subjects. Furthermore, the findings from all studies will be used to research and develop Nirvana’s second product: a psilocybin-based pain reliever that is non-addictive.

On June 4, 2021, the Company and its shareholders signed a share exchange agreement with Endocan Solutions Inc. (“Endocan”) whereby Endocan agreed to acquire all of the 39,827,095 issued and outstanding common shares in the capital of Nirvana, by issuing each Nirvana shareholder one share of Endocan as consideration for each Nirvana share held by such shareholder (the “Transaction”). Under the amendment signed on August 16, 2021, Endocan will acquire 39,455,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. Endocan will seek a reactivation of its listing on the Canadian Securities Exchange (the "CSE").

Completion of the Transaction will be subject to certain conditions, including but not limited to, completion of confirmatory due diligence by the Company, receipt of shareholder approvals, receipt of all necessary approvals of the Transaction by the CSE as the Company’s reactivation transaction, the resulting issuer satisfying the listing requirements of the CSE, and the receipt of all necessary third-party consents.

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds at this time. The Company will continue to monitor the impact of the pandemic on all aspects of its business and evaluate its impact on the Company’s liquidity and future prospects.

SELECTED ANNUAL INFORMATION

The Company was incorporated on June 17, 2020. The following table sets out selected financial information for the Company which has been derived from the Company’s audited financial statements for the period from incorporation on June 17, 2020 to April 30, 2021.

	Fiscal 2021 ($)
Revenues	-
Net income (loss)	(612,203)
Net income (loss) per share - basic and diluted	(0.02)
Total assets	1,203,050
Total non-current liabilities	-
Dividends	-

DISCUSSION OF OPERATIONS

The Company is in the research and development phase and has not yet generated operating revenue. During the period from incorporation on June 17, 2020 to April 30, 2021, the Company reported a net loss of $612,203. The loss in 2021 period relates primarily to general operating expenses of $543,340 and due diligence fees of $69,000. Some of the significant expense items are summarized as follows:

- Consulting fees of $77,400 relate mainly to fees the Head of Operation and Extraction ("HOE") of the Company for operation consulting services provided.
- Rent of $57,610 relate to the sublease of a facility for a proposed lab.
- Research and development of $328,484 include consulting fees of $80,957, external lab costs of $172,929, intellectual property rights of $70,000, and other miscellaneous expenses of $4,598.

SUMMARY OF QUARTERLY RESULTS

Quarterly information for periods prior to April 30, 2021 have not been presented as there is no requirement to present financial information for interim periods prior to the Company becoming a reporting issuer if the Company has not previously prepared financial statements for those periods. As a non-reporting issuer, the Company has not prepared any interim or quarterly financial statements since its inception on June 17, 2020, other than the reviewed interim financial statements for the three months ended July 31, 2021, which are included in the Listing Statement.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2021, the Company had a cash balance of $624,529. The Company spent $544,376 in operating activities and $458,223 on purchase of lab equipment. The Company also advanced a loan of $100,000 to a company controlled by the director and major shareholder of the Company.

The Company had a working capital of $750,636 as at April 30, 2021.

During the period from incorporation on June 17, 2020 to April 30, 2021, the Company:

a) Issued 11,234,762 common shares to founders of the Company at a price of $0.001 per share for gross proceeds of $11,235.

b) Issued 17,400,000 common shares to founders of the Company at a price of $0.02 per share for gross proceeds of $348,000.

c) Completed a non-brokered private placement of 5,333,333 common shares at a price of $0.15 per share for gross proceeds of $800,000.

d) Completed a non-brokered private placement of 2,324,000 common shares at a price of $0.25 per share for gross proceeds of $581,000. The Company issued 35,000 common shares with a fair value of $8,470 as a finders' fee. The Company also incurred legal expenses of $13,108 in connection with the private placement.

e) Issued 3,500,000 common shares with a total value of $70,000 pursuant to an intellectual property purchase agreement and the amount was charged to research and development expense during the period on the statement of loss and comprehensive loss (Note 11).

If additional funds are required, the Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. Management is considering various financing options to raise capital. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

<u>Going Concern</u>

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the period from incorporation on June 17, 2020 to April 30, 2021, a company controlled by the director and major shareholder of the Company borrowed $100,000 from the Company. The loan is unsecured, repayable on October 21, 2021, and bears interest at a rate of 5% per annum.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the period from incorporation on June 17, 2020 to April 30, 2021 is as follows:

Consulting fees	$	68,900
Research and development		65,957
Total	$	134,857

The Company entered into the following related party transactions during the period from incorporation on June 17, 2020 to April 30, 2021:

a) Paid or accrued consulting fees of $65,000 to the Head of Operation and Extraction ("HOE") of the Company for operation consulting services provided (included in the above table).

b) Paid or accrued consulting fees of $65,957 to the Chief Scientific Officer ("CSO") of the Company for scientific research work provided (included in the above table).

c) Paid or accrued consulting fees of $3,900 to the Director of Research of the Company for regulatory consulting services (included in the above table).

d) Purchased laboratory equipment of $317,000 from a company controlled by the director of the Company.

e) Paid rent expenses of $57,610 for a proposed lab facility to a company controlled by the director of the Company pursuant to a sublease agreement.

The Company has entered into a consulting agreement with the HOE of the Company for a monthly fee of $6,500. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

The Company has entered into a consulting agreement with the CSO of the Company for a monthly fee of US$5,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months' remuneration.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at August 17, 2021, the Company has 39,827,095 common shares issued and outstanding.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and loan receivable from related party as subsequently measured at amortized cost financial assets; and accounts payables as subsequently measured at amortized cost financial liabilities.

The carrying amounts of cash and trade and other payables carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, receivables, and loan receivable from related party. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Receivables mainly consist of recoverable is held with the Government of Canada. Loan receivable from related party is due from the director and major shareholder of the Company. Management does not expect these counterparties to fail to meet their obligations, and as such, the Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at April 30, 2021, the Company had current assets of $768,761 and current liabilities of $18,125. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to their short-term nature and amounts.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) Depreciation of equipment is dependent upon estimates of useful lives. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

RISKS AND UNCERTAINTIES

The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Lack of operating history and profitability concerns

The Company has a limited operating history, has incurred substantial losses since its inception, has no revenues and is not likely to have no revenues for the foreseeable future due to the fact that our research and development activities will take time to complete. We expect to incur net losses and negative cash flows during our research and development phase, and losses and negative cash flows may continue past this phase as we will need to earn significant revenues in order to cover the costs that will arise with commercialization such as production, marketing, and additional personnel expenses. We may not ever achieve profitability. Even if we do achieve profitability, we may not be able to sustain it.

Additional funding requirements

Substantial additional financing may be required if the Company is to be successful develop its business. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further research and development activities.

Immature Psychedelic Industry

The non-recreational psychedelic industry is still a relatively new market. Participants in this industry are hoping that with increasing awareness of the potential therapeutic benefits of psychedelics such as psilocybin, governments may relax regulation with respect to these controlled substances. This may never come to pass, however, and the stringent laws and regulations currently in place for psilocybin-based products may continue to hamper growth of its market. Our expectations with respect to market growth and market share may never be realized.

Even if psilocybin regulation eases up, there is no assurance that this will result in the Company meeting its revenue expectations. The growth rate of any market is unpredictable, and demand for psilocybin therapies may take too long to attain the level necessary for our investors to see a return on investment.

Finally, any nascent industry will not have the infrastructure and established protocols that a more mature industry will have. There are few, if any, standard practices with respect to propagation, production, quality assurance, marketing and distribution when it comes to psychedelic-based medical formulations. We may be compelled to expend resources to devise solutions to problems that would not be present in other industries, or to engage in activities to build infrastructure or create demand. Such expenditures will not only affect our financial results adversely, but may lead to missed opportunities due to the allocation of resources. Moreover, the wide range of uncertainties in the psychedelic industry may deter capital investment, thus making it difficult for us to raise the necessary funds to realize its business objectives.

Changes in law

As laws and regulations in Canada evolve, we may be negatively affected by certain changes in legislation. The scope of laws applicable to us is extensive and include but is not limited to laws regarding controlled substances, intellectual property, product safety and liability, securities, marketing, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of our products and services will have a significant impact on our finances. We may be required to modify our product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also to the expense of understanding and interpreting the legislation.

Our exposure to risk arising from changes in law increases with doing business in other countries. The laws of foreign nations may be very different from those in Canada and sometimes unclear. We may encounter difficulties in interpreting such laws and we may be less able to anticipate any upcoming changes due to our unfamiliarity with another legal regime. Considerable expense may be incurred to comply with foreign laws and regulations.

Controlled substance regulation

Psilocybin is a “controlled substance” as it is listed on Schedule III of the CDSA, and accordingly possession and use of psilocybin in Canada is strictly prohibited unless an exemption has been obtained from Health Canada. The Company intends to apply for an exemption in the form of a Dealer’s License under the Food and Drugs Regulations. There is no assurance that we will be granted a Dealer’s License, and even we were granted the license, there is no assurance that we will be able to satisfy the ongoing compliance requirements to maintain the license. Failure in either respect will be detrimental to our business as we cannot conduct research if we are not able to possess or use psilocybin.

In addition, any violation of controlled substance laws and regulations may result in not only loss of permits or licenses, but also significant fines, penalties, and/or administrative sanctions, and could possibly even lead to criminal charges. Such serious consequences may have a material adverse effect on our business.

Failure to develop viable product

There is no assurance that we will be able to develop commercially viable products, in particular psilocybin-based drug formulations. Since our research and development program is in its early stages, it will be a long time before we can determine, based on scientific evidence, that our formulations are safe and efficacious. For a drug to be approved by Health Canada, it must undergo rigorous multi-stage testing. (See Narrative.) Positive results from early preclinical research may not be indicative of positive results in the later stages of preclinical or clinical research. We cannot give assurance that our future studies, if any, will yield favourable results. Positive results may also be insufficiently significant in magnitude to warrant continuing with further research.

Even if our product ideas were to reach the clinical testing stage, there is no assurance that we will be able to conclude all phases of testing and development. Aside from the challenge of obtaining enough funding, the likelihood of success in creating safe and efficacious formulations depends on the intellectual acumen of our researchers. The ability to innovate is not something entirely in our control. We may never arrive at a product formulation which is viable for bringing to market.

Operational risks

Our operations involve the use of chemicals and hazardous substances which if handled improperly could result in personal injury and property damage, and if such substances were inadvertently released into the environment, we could be subject to penalties and be liable for removal or remediation costs.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive

Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com.

APPROVAL

The Board of Directors of Nirvana Life Sciences Inc. has approved the contents of this management discussion and analysis on August 17, 2021.