ENTHEON BIOMEDICAL CORP.

(formerly MPV Exploration Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the six-month period ended September 30, 2020

(Second quarter)

This management discussion and analysis (”MD&A”) of Entheon Biomedical Corp. (formerly MPV Exploration Inc.) (“Entheon” or the “Company”) complies with Rule 51-102A of the Canadian Securities Administrators regarding continuous disclosure.

The MD&A is a narrative explanation, through the eyes of the management of Entheon, of how the Company performed during the six-month period ended September 30, 2020, and of the Company financial condition and future prospects. This discussion and analysis complements the unaudited condensed interim financial statements for the six-month period ended September 30, 2020 but does not form part of them.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. The shares of Entheon are listed on the Canadian Securities Exchange under the symbol ENBI.

All figures are in Canadian dollars unless otherwise stated.

DATE

The MD&A was prepared on the basis of information available as at November 25, 2020.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. There are many factors that could cause such differences, particularly: volatility and sensitivity to market metal prices; impact of change in foreign currency exchange rates and interest rates; imprecision in reserve estimates; environmental risks including increased regulatory burdens; unexpected geological conditions; adverse mining conditions; changes in government regulations and policies, including laws and policies; failure to obtain the necessary permits and approvals from government authorities; and other development and operating risks.

While the Company believes that the assumptions underlying in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether or not it should be revised because of new information, future events or otherwise, unless required to do so by the applicable securities laws.

NATURE OF ACTIVITIES

The company, Entheon Biomedical Corp. (“Entheon”) or the (“Company”), incorporated under the Canadian Business Corporations Act, is a biotechnology research and development company operating in Canada. The Company is the result of a three-cornered amalgamation, completed on November 5, 2020. Following this amalgamation, the Company changed its name from MPV Exploration Inc. Inc. to Entheon Biomedical Corp. The Company also proceeded with the consolidation of its common shares on the basis of one post-consolidation common share for three pre-consolidation common shares.

OVERALL PERFORMANCE

Results of Operations

Umex Block West Project

Property Description

The Umex Block West property consists of 14 cells covering a total area of 777.63 hectares. The property is located within the Eastern Abitibi region at 50 km west of the town of Chapais and 88 km west of the town of Chibougamau.

On November 5, 2020, MPV Exploration Inc. sold its interest in the Umex Block West and Umex Block East properties for a cash consideration of $278,000.

Umex Block East Property

Property Description

The Umex Block East property is now composed of 111 contiguous cells to the east, and on the same conductive strip as that traversing the Umex Block West property. The property covers an area of 6,163.28 hectares.

On November 5, 2020, MPV Exploration Inc. sold its interest in the Umex Block West and Umex Block East properties for a cash consideration of $278,000.

Person In Charge of Technical Disclosure

Hughes Guérin Tremblay (OGQ #1584), geologist, acts as an independent consulting geologist for the Company and a Qualified Person under *NI 43-101 on standards of disclosure for mineral projects*, has written and approved the technical content of this MD&A for the properties.

RESULTS OF OPERATIONS

Entheon anticipates that, for the foreseeable future, quarterly results of operations will primarily be impacted by several factors, including the timing of exploration and the efforts and timing of expenditures related to the development of the Company. Due to fluctuations in these factors, the Company believes that the period-to-period comparisons of operating results are not a good indication of its future performance.

The comments below provide an analysis of the operating results for the six-month period ended September 30, 2019. The selected financial information shown below is taken from the unaudited condensed interim financial statements for each of the six-month periods indicated.

FINANCIAL HIGHLIGHTS

	September 30 (6 months) 2020	2019
Shareholders' information	$ 25,080	$ 23,568
Salaries and fringe benefit	$ 27,231	$ -
Professional and consultant fees	$ 100,872	$ 32,250
Travel and representation	$ -	$ 3,588
Devaluation of exploration and evaluation assets	$ 285,986	$ -
Other expenses	$ 10,887	$ 12,159
	$ 450,056	$ 71,565
Interest income and other revenues	$ (15,353)	$ (9,986)
Net loss and total comprehensive loss	$ (434,703)	$ (61,579)
Cash and cash equivalents	$ 980,842	$ 1,159,144

Salaries and fringe benefits

Salaries and benefits for the six-month period ended September 30, 2020, amounted to $27,231 (Nil in 2019). The increase was due to the payment of bonus at the completion of certain key milestones.

Professional and Consultant Fees

Professional and consultant fees for the six-month period ended September 30, 2020, consisted primarily of expenses of a legal and accounting nature, as well as audit expenses. A variation of $6,638 was recognized compared to the previous period and results from an increase in legal and consulting expenses.

Devaluation of exploration and evaluation assets

During the six-month period ended September 30, 2020, the Company has devaluated the mining properties of Umex Block West and Umex Block East because the carrying value will not be recovered in full following the sale of these mining properties.

SUMMARY OF QUARTERLY RESULTS

The comments below provide an analysis of the operating results for the three-month period ended September 30, 2020. The selected financial information shown below is taken from the unaudited condensed interim financial statements for each of the three-month periods indicated.

FINANCIAL HIGHLIGHTS

	September 30 (3 months) 2020	2019
Shareholders' information	$ 13,745	$ 8,218
Salaries and fringe benefit	$ 27,231	$ -
Professional and consultant fees	$ 67,639	$ 5,355
Travel and representation	$ -	$ 2,605
Other expenses	$ 5,519	$ 6,875
	$ 114,134	$ 23,053
Interest income and other revenues	$ (1,447)	$ (4,988)
Net loss and total comprehensive loss	$ (112,687)	$ (18,065)
Cash and cash equivalents	$ 980,842	$ 1,159,144

Shareholders' Information

Shareholders' information expenses for the three-month period ended September 30, 2020, consisted mainly of expenditures of legal and regulatory nature incurred to comply with the requirements of the securities commission. The increase of $5,527 compared to the previous period is primarily due to a decrease in regulatory nature expenditures.

Salaries and fringe benefits

Salaries and benefits for the three-month period ended September 30, 2020, amounted to $27,231 (Nil in 2019). The increase was due to the payment of bonus at the completion of certain key milestones.

Professional and Consultant Fees

Professional and consultant fees for the three-month period ended September 30, 2020, consisted primarily of expenses of a legal and accounting nature, as well as audit expenses. A variation of $62,284 was recognized compared to the previous period and results from an increase in legal and consulting expenses.

The selected financial information below was taken from Entheon's unaudited financial statements for each of the following quarters:

	Sept. 30 2020	June 30 2020	March 31 2020	Dec 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec 31 2018
Interest Income and other income	1,447	13,906	5,080	4,936	4,988	4,998	3,904	4,046
Net loss	(112,687)	(322,016)	(35,881)	(49,323)	(18,065)	(43,514)	(79,718)	(58,600)
Basic and diluted net loss per share	$ 0.01	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.01)	$ 0.00

Liquidity and Capital Resources

Cash and cash equivalents as at September 30, 2020, totaled $980,842 of compared to $1,152,144 as at September 30, 2019.

Date	Financing		Commercial Goals
April and May 2018	Common shares	$1,193,100	Working Capital

Management is of the opinion that, even if it is unable to raise additional equity financing, the Company will be able to meet its current obligations for the next 12 months. There is no assurance that such financing will be available when required, or under terms that are favourable to Entheon.

CASH FLOWS

	September 30 (6 months)	
	2020	**2019**
Operating activities	**$ (151,648)**	$ (65,337)
Cash and cash equivalents	**$ 980,842**	$ 1,159,144

During the six-month period ended September 30, 2020, funds used for operating activities were spent primarily on improving operations and development of the Company.

No financing and investment activity took place during the period.

RELATED PARTY TRANSACTIONS

Transactions with Key Executives

During the six-month period ended September 30, 2020, the Company incurred $11,712 ($9,670 in 2019) in professional and consultant fees with the Former Corporate Secretary and Chief Financial Officer. In relation with these transactions no amount was payable as at September 30, 2020 and 2019.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

The following table reflects the remuneration of key management and directors of the Company:

	September 30, 2020 $	**March 31, 2020 $**
Salaries and fringe benefits	27,231	**-**

SUBSEQUENT EVENTS

The transaction

On November 5, 2020, the Company completed its previously announced business combination with Entheon Holdings Corp. (formerly, Entheon Biomedical Corp., ("Former Entheon") whereby the Company acquired all of the issued and outstanding class A shares of Former Entheon ("Former Entheon Shares") pursuant to a three-cornered arm's length amalgamation with Former Entheon and 1254912 B.C. Ltd. ("Subco"), in accordance with Section 269 of the Business Corporations Act (British Columbia) (the "Transaction").

The Transaction was completed pursuant to an amalgamation agreement among the Company, Former Entheon and Subco dated June 30, 2020, as amended on October 9, 2020 (the "Amalgamation Agreement").

In connection with the Transaction and pursuant to the terms of the Amalgamation Agreement: (i) Subco completed a non-brokered private placement of 4,117,886 subscription receipts ("Subco Subscription

Receipts") at a price of $0.375 per Subco Subscription Receipt for gross proceeds of $1,544,207; (ii) the Company completed a name change from "MPV Exploration Inc." to "Entheon Biomedical Corp."; (iii) the Company completed a consolidation (the "Consolidation") of its issued and outstanding common shares ("Common Shares") on the basis of one post-Consolidation Common Share for every three pre-Consolidation Common Shares; and (iv) Former Entheon amalgamated with Subco under subsection 269 of the Business Corporations Act (British Columbia) to form Entheon Holdings Corp. ("Entheon Holdings").

Thereafter, Entheon Holdings became a wholly-owned subsidiary of the Company. In accordance with the Amalgamation Agreement, the shareholders of Former Entheon ("Former Entheon Shareholders") were issued one post-Consolidation Common Share for every one Former Entheon Share held immediately prior to the completion of the Transaction. All outstanding share purchase warrants of Former Entheon were adjusted such that, upon exercise or conversion, the holders will receive Common Shares (on a post Consolidation basis) in lieu of Former Entheon Shares, on a one-for-one basis.

In connection with the Transaction the Company has assigned or disposed of all existing mineral resource properties, including the Company's rights under the option agreement dated March 31, 2017 between the Company and Les Ressources Tectonic Inc. as it relates to the UMEX project. In this regard, the Company entered into a binding agreement following a tender process on August 5, 2020 pursuant to which it has agreed to sell its interest in the UMEX project for a cash consideration of $278,000. The sale has been closed upon completion of the Transaction.

Additionally, following the completion of the Transaction, the Company changed its financial year-end from March 31 to November 30.

Material contracts

On October 1, 2020, the Company entered into the CHDR Clinical Study Agreement with CHDR (the Centre for Human Drug Research located in Leiden, Netherlands) to perform a DMT-based phase I safety and proof-of-concept clinical study in humans (the "Phase I Study"). CHDR holds the requisite regulatory approvals under the UN71 (and the other applicable EU conventions) necessary to conduct the Phase I Study. The Phase I Study is scheduled to take place in the Netherlands in early 2021, subject to delays that may result from the on-going COVID-19. Pursuant to the CHDR Clinical Study Agreement, the Company has agreed to: (i) pay CHDR an estimated fee of €927,314 for completion of the Phase I Study; and (ii) supply CHDR with DMT to be used in the Phase I Study free of charge and within the timeframe and in the quantities set forth in the agreement. Unless terminated earlier, the term of the CHDR Clinical Study Agreement will continue for the duration of the Phase I Study and may be extended by mutual written agreement of the parties.

On October 9, 2020, the Company entered into the Psygen Supply Agreement whereby Psygen will provide the Company with GMP and non-GMP quality DMT drug products and substances (the "Drug Products") for its preclinical, clinical and post-approval commercialization phases under the European regulatory framework. Psygen is located in Alberta, Canada and is licensed by the Health Canada Office of Controlled Substances to manufacture, sell and export DMT. Under the Psygen Supply Agreement the Company is obliged to pay to Psygen an aggregate of USD$40,000 for the initial supply purchase order of the Drug Products to be used for the Phase I Study.

SIGNIFICANT ACCOUNTING POLICIES

For more details regarding the significant accounting policies, you may refer to the Note 4 accompanying the audited financial statements for the year ended March 31, 2030 and Note 3 and 4 of the condensed interim financial statements for the period of six-month ended September 30, 2020.

CERTIFICATION OF INTERIM FILINGS

The Chief Executive Officer and Chief Financial Officer have signed the official basic certificates for venture issuers as required by *Regulation 52-109 respecting certification of disclosure in issuers' annual and interim filings*, confirming the review, absence of untrue or misleading information and fair presentation of the interim documents filed.

- The Chief Executive Officer and Chief Financial Officer have confirmed that they have reviewed the interim financial statements and the interim MD&A (collectively referred to as the "interim filings") of the Company for the six-month period ended September 30, 2020.

- The Chief Executive Officer and Chief Financial Officer have confirmed that, based on their knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings

- The Chief Executive Officer and Chief Financial Officer have confirmed that, based on their knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings for these periods.

OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS

EXPLORATION AND EVALUATION ASSETS

	September 30	
	2020	**2019**
Balance, beginning of period	**$ 563,986**	$ 492,502
Balance, before deduction	**563,986**	492,502
Devaluation of exploration and evaluation assets	**(285,986)**	-
Tax credit related to resources and mining tax credit	-	3,516
Balance, end of period	**$ 278,000**	$ 488,986

	September 30		
	2020	**2019**	**2018**
Statements of net loss and comprehensive loss			
Professional and consultant fees	**$ 100,872**	$ 32,250	$ 39,482
Other expenses	**$ 10,887**	$ 12,159	$ 10,881
Devaluation of exploration and evaluation assets	**$ 285,986**	$ -	$ -
Shareholders' information	**$ 25,080**	$ 23,568	$ 26,858
Salaries and fringe benefits	**$ 27,231**	$ -	$ -

	September 30		
	2020	**2019**	**2018**
Statements of financial position			
Exploration and evaluation assets	**$ 278,000**	$ 488,986	$ 427,615
Loan receivable from Biomoss Carbon ULC	**$ -**	$ -	$ 25,000

DISCLOSURE OF OUTSTANDING SHARE DATA (as at November 25, 2020)

Common shares outstanding:	40,388,851
Warrants and brokers and intermediaries' options outstanding:	11,441,767
Average exercise price of:	$ 0.62

Expiry date	Number of shares	Exercise price
		$
December 2020	651,143	0.75
December 2020	13,334	0.45
February 2021	2,000,000	0.48
April 2021	1,988,500	0.90
December 2021	1,055,000	0.50
January 2022	687,500	0.50
June 2022	2,620,402	0.60
September 2022	211,297	0.375
November 2022	2,214,591	0.60
	11,441,767	

Risks and Uncertainties

The Company is subject to a variety of risks, some of which are described below. If any of the following risks occur, the Company's business, results of operations or financial condition could be adversely affected in a material manner.

Limited operating history

The business of Entheon began in June 2019 and has yet to generate any revenue. Entheon is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Entheon will ever be able to generate revenue or will be successful in achieving a return on shareholders' investment. Entheon's ultimate success will depend on its operating ability and ability to generate cash flow from sales of its products in the future. Investors should consider Entheon's likelihood of success in light of the early stage of operations.

Risks related to adverse and uncontrollable clinical results

Entheon is developing the DMT Products to treat patients who have substance use disorders and any unfavourable or adverse effects that occur in its clinical trials could negatively impact the business of Entheon even if such adverse effects are not shown to be related to Entheon's DMT Products. It is Entheon's intention to continue to develop the DMT Products focused on substance use disorders and addiction. Patients suffering from these disorders may be extremely sick and may have a high likelihood of experiencing adverse outcomes, including death, as a result of their disorder or due to other significant risks including relapse of their underlying addictions.

As a result, it is possible that Entheon will observe severe adverse outcomes during its clinical trials, including patient death, unrelated to Entheon's DMT Products and DMT Protocol. If a significant number of study subject deaths were to occur, regardless of whether such deaths are attributable to one of Entheon's DMT Products, its ability to obtain regulatory approval and/or achieve commercial acceptance for the related drug may be adversely impacted and its business could be materially harmed. In addition, other setbacks may occur which would require Entheon to conduct additional preclinical studies both invitro and invivo and/or additional clinical trials.

Entheon will require substantial additional funding, which may not be available to it on acceptable terms, or at all, and, if not so available, may require Entheon to delay, limit, reduce or cease its operations

Entheon has used the proceeds from its previous equity offerings, and Entheon intends to use the proceeds from any possible future offerings, to, among other uses, advance its psychedelic therapeutic solution portfolio through clinical development, advancing the remainder of the existing portfolio through preclinical studies and into IND's or their equivalent, and sponsoring research with its development partners. Developing pharmaceutical solutions, including conducting preclinical studies both invitro and invivo and clinical trials, is expensive. Entheon will require substantial additional future capital in order to complete clinical development and commercialize its DMT Solutions.

Entheon will continue to require substantial additional capital to continue its clinical development and commercialization activities. Because successful development of its DMT Solutions is uncertain, Entheon is unable to estimate the actual amount of funding it will require to complete research and development and commercialize its products under development.

The amount and timing of Entheon's future funding requirements will depend on many factors, including but not limited to:

- whether its updated plan for clinical trials will be completed on a timely basis and, if completed, whether Entheon will be able to publicly announce results from its clinical trials in accordance with its announced milestones;
- whether Entheon is successful in obtaining the benefits of Health Canada's, EMA's and FDA's expedited development and review programs related to its DMT Solutions;
- whether Entheon is successful in obtaining interest for possible co-development and licensing out partners;
- the progress, costs, results of and timing of its clinical trials and also of its preclinical studies;
- the outcome, costs and timing of seeking and obtaining Health Canada, EMA, FDA and any other regulatory approvals;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- market acceptance of its DMT Solutions;
- the costs of acquiring, licensing or investing in businesses, products, psychedelic therapeutic solutions and technologies;
- its ability to maintain, expand and enforce the scope of its intellectual property portfolio, including the amount and timing of any payments Entheon may be required to make, or that it may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;

- its need and ability to hire additional management and scientific and medical personnel;
- the effect of competing psychedelic therapeutic solutions;
- its need to implement additional internal systems and infrastructure, including financial and reporting systems;
- research grant terms that change over time or whose terms Entheon is unable to meet;
- grants that Entheon relied upon are not funded for any reason;
- its ability to attract and retain competent staff;
- changes in the political and economic environment in the jurisdictions in which Entheon operates, including adverse economic circumstances beyond COVID-19;
- the duration and effects of COVID-19 on Entheon's personnel, business, operations and financial condition;
- the duration and effects of COVID-19 on the personnel, business, operations and financial condition of Entheon's research partners and suppliers;
- unforeseen safety hazards associated with the DMT Solutions Entheon develops; and
- the economic and other terms, timing of and success of any collaboration, licensing or other transactions into which Entheon may enter in the future.

Some of these factors are outside of Entheon's control. Entheon does not believe that its existing capital resources are sufficient to enable Entheon to complete the development and commercialization of its DMT Solutions. Accordingly, Entheon expects that it will need to raise additional funds in the future.

Entheon may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution transactions and other collaborations, strategic alliances and licensing transactions. Additional funding may not be available to Entheon on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of Entheon securityholders. In addition, the issuance of additional Common Shares, or the possibility of such issuance, may cause the market price of the Common Shares to decline. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities.

If Entheon is unable to obtain funding on a timely basis, it may be required to significantly curtail one or more of its research or development programs and/or incur financial penalties. Entheon also could be required to seek funds through transactions with collaborative partners or otherwise that may require Entheon to relinquish rights to some of its technologies or psychedelic therapeutic solutions or otherwise agree to terms unfavourable to Entheon.

Possible increase in costs beyond what is currently expected as a result of regulatory review

If Health Canada, the FDA, or the EMA requires that Entheon perform additional nonclinical studies or clinical trials, or if Entheon determines that additional clinical trials are required for its DMT Products, its expenses would further increase beyond what is currently expected and the anticipated timing of any potential approval of its DMT Products or licensing out agreement would likely be delayed. Further, there can be no assurance that the costs Entheon will need to incur to obtain regulatory approval of its DMT Products will not increase.

Entheon, has a limited operating history and expects a number of factors to cause its operating results to fluctuate on an annual basis, which may make it difficult to predict the future performance of Entheon

Entheon is a research and development biomedical company with a limited operating history. Entheon's operations to date have been focused on developing its Dosing Strategies, conducting in-house research, preparing proprietary dose forms of psychedelic molecules into an FDA, EMA and Health Canada approval model for eventual development of authorized Dosing Strategies for future use in clinical trials, developing clinical trials protocols, and establishing key relationships. Entheon has yet to commence clinical trials for the psychedelic therapeutic solutions in its pipeline and has yet to receive approvals from regulatory agencies.

Consequently, any predictions made about Entheon's future success or viability may not be as accurate as they could be if Entheon had a longer operating history or approved products on the market. Entheon's operating results are expected to significantly fluctuate from quarter-to-quarter or year-to-year due to a variety of factors, many of which are beyond its control. Factors relating to Entheon's business that may contribute to these fluctuations include:

- any delays in regulatory review and approval of its DMT Products in clinical development, including its ability to receive approval from Health Canada, the FDA or the EMA for its Dosing Strategies in clinical trials;
- delays in the commencement, enrolment and timing of preclinical and clinical trials;
- difficulties in identifying patients suffering from its target indications;
- the success of its clinical trials through all phases of clinical development;
- potential side effects of its DMT Products that could delay or prevent approval or license-out agreements or cause an approved solutions to be taken off the market;
- its ability to obtain additional funding to develop its DMT Solutions;
- its ability to attract and retain talented and experienced people;
- competition from existing products or new products that continue to emerge;
- the ability of patients or healthcare providers to obtain coverage or sufficient reimbursement for its products;
- its ability to adhere to clinical trial requirements directly or with third parties such as CROs;
- its dependency on third-party manufacturers to manufacture products and key ingredients;
- its ability to establish or maintain collaborations, licensing or other transactions;
- its ability to defend against any challenges to its intellectual property including, claims of patent infringement;
- its ability to enforce its intellectual property rights against potential competitors;
- its ability to secure additional intellectual property protection for its developing DMT Solutions and associated technologies;
- its ability to attract and retain key personnel to manage its business effectively;
- a biological or chemical effect that Entheon does not predict;
- adverse economic circumstances;
- potential liability claims; and
- the duration and effects of COVID-19 on Entheon's personnel, business, operations and financial condition.

Accordingly, the results of any historical quarterly or annual periods should not be relied upon as indications of future operating performance.

Entheon is preparing to conduct important preclinical and clinical trials in Europe. The risks associated with conducting research and clinical trials abroad could materially adversely affect Entheon's business. Currently, clinical trials are planned at the Centre for Human Drug Research in Leiden, the Netherlands. Additional sites in Europe and elsewhere are currently being evaluated for preclinical trials and subsequent studies.

Risks of operating in European countries

Entheon is subject to additional risks related to operating in countries in Europe including:

- differing regulatory requirements in Europe;
- unexpected changes in price and exchange controls and other regulatory requirements;
- increased difficulties in managing the logistics and transportation of collecting and shipping patient material;
- import and export requirements and restrictions;
- compliance with tax, employment, immigration and labour laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses, and other obligations incident to doing business in another country;

- difficulties staffing and managing foreign operations;
- potential liability under the *Corruption of Foreign Public Officials Act* or comparable foreign regulations;
- challenges enforcing its contractual and intellectual property rights, especially in those European countries that do not respect and protect intellectual property rights to the same extent as Canada or the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with Entheon's international operations may materially adversely affect its ability to attain or maintain profitable operations.

Entheon has never been profitable, it has no products approved for commercial sale, and to date it has not generated any revenue. As a result, Entheon's ability to reduce its losses and reach profitability is unproven, and thus, Entheon may never achieve or sustain profitability.

Entheon has never been profitable and does not expect to be profitable in the foreseeable future. Entheon has not yet submitted any psychedelic therapeutic solutions for approval by regulatory authorities in Canada, the European Union, the United States or elsewhere.

To date, Entheon has devoted most of its financial resources to research and development, including drug discovery research, preclinical development activities and clinical trial preparation, as well as corporate overhead. Entheon has not generated any revenues from product sales. Entheon expects to continue to incur losses for the foreseeable future, and expects these losses to increase as Entheon continues its development of, and seek regulatory approvals for its DMT Solutions, prepare for and begin the commercialization of any approved solutions and add infrastructure and personnel to support its continuing product development efforts. Entheon anticipates that any such losses could be significant for the next several years. If its DMT Products fail in clinical trials or do not gain regulatory approval, or if its DMT Solutions do not achieve market acceptance, Entheon may never become profitable. As a result of the foregoing, Entheon expects to continue to experience net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on Entheon's stockholders' equity and working capital.

Because of the numerous risks and uncertainties associated with pharmaceutical solution development, Entheon is unable to accurately predict the timing or amount of increased expenses or when, or if, Entheon will be able to achieve profitability. In addition, Entheon's expenses could increase if it is required by Health Canada, the FDA or the EMA to perform studies or trials in addition to those currently expected, or if there are any delays in completing its clinical trials or the development of any of its DMT Solutions. The amount of future net losses will depend, in part, on the rate of future growth of its expenses and its ability to generate revenues.

There are limited suppliers for API used in Entheon's DMT Products. Problems with the third parties that manufacture the API used in its DMT Products may delay its clinical trials or subject Entheon to liability

Entheon does not currently own or operate manufacturing facilities for clinical or commercial production of the API used in any of Entheon's DMT Products. Entheon has no experience in API manufacturing, and it lacks the resources and the capability to manufacture any of the APIs used in its DMT Products, on either a clinical or commercial scale. As a result, Entheon relies on third parties to supply the API used in each of its DMT Products. Entheon expects to continue to depend on third parties to supply the API for its current and future solution candidates and to supply the API in commercial quantities, in the foreseeable future. Entheon is ultimately responsible for confirming that the APIs used in its Products are manufactured in accordance with applicable regulations.

Entheon's third-party suppliers may not carry out their contractual obligations or meet its deadlines. In addition, the API they supply to Entheon may not meet its specifications and quality policies and procedures or they may not be able to supply the API in commercial quantities. If Entheon needs to find alternative suppliers of the API used in any of its DMT Products, it may not be able to contract for such supplies on acceptable terms, if at all. Any such failure to supply or delay caused by such contract manufacturers would have an adverse effect on Entheon's ability to continue clinical development of its DMT Products or commercialization of its DMT Solutions.

If its third-party drug suppliers fail to achieve and maintain high manufacturing standards in compliance with current good manufacturing practices regulations, Entheon could be subject to certain product liability claims in the event such failure to comply resulted in defective products that caused injury or harm.

Entheon cannot be certain that any of its DMT Solutions will receive regulatory approval, and without regulatory approval Entheon will not be able to market such solutions

Entheon's business currently depends on the successful development and commercialization of its DMT Solutions. As discussed in further detail under the heading "*Narrative Description of the Business – Regulatory Regimes*" Entheon anticipates that DMT will be subject to extensive and rigorous regulation by Health Canada, the FDA and the EMA. Health Canada, the FDA and the EMA regulate the development, testing, manufacturing, labeling, storage, recordkeeping, promotion, marketing, distribution, and service of medical products in Canada, the United States and the European Union respectively, to ensure that such medical products distributed are safe and effective for their intended use. Entheon's ability to generate revenue related to solution sales, if ever, will depend on the successful development and regulatory approval of its DMT Solutions. The process of getting regulatory approval is both time consuming and costly and Entheon's ability to satisfactorily navigate this process will have a material impact on its business and prospects. Additionally, the receipt of regulatory approval may be impacted by the delays, risks, and related costs implications discussed under the heading "*Expected Changes*" and there is no certainty that Entheon will ever receive regulatory approval. If Entheon does obtain such approvals, Entheon will continue to be subject to ongoing compliance and reporting requirements. Failure to comply with the requirements would have a material adverse impact on the business, financial condition and operating results of Entheon. Entheon cannot predict the time required to secure all appropriate regulatory approvals for its protocols, or the extent of testing and documentation that may be required by Governmental Authorities. Any delays in obtaining, or failure to obtain the necessary regulatory approvals will significantly delay the development of Entheon's protocols and could have a material adverse effect on the business, results of operations and financial condition of Entheon. Additionally, to the extent any further approvals, permits or licenses are required and not obtained, Entheon may be prevented from operating and/or expanding its business, which could have a material adverse effect on Entheon's business, financial condition and results of operations. If Entheon is unable to obtain approval from Health Canada, the FDA, the EMA, or other regulatory agencies, for any of its DMT Solutions, or if, subsequent to approval, Entheon is unable to successfully commercialize its DMT Solutions, it will not be able to generate sufficient revenue to become profitable or to continue its operations.

Delays in the commencement, enrolment and completion of clinical trials could result in increased costs to Entheon and delay or limit Entheon's ability to obtain regulatory approval for any of its DMT Solutions

Delays in the commencement, enrolment and completion of preclinical and clinical trials could increase Entheon's solution development costs or limit the regulatory approval of its DMT Solutions. Entheon does not know whether any future trials or studies of its other psychedelic therapeutic solutions will begin on time or will be completed on schedule, if at all. The start or end of a clinical study is often delayed or halted due to changing regulatory requirements, manufacturing challenges, including delays or shortages in available product, required clinical trial administrative actions, slower than anticipated patient enrolment, changing standards of care, availability or prevalence of use of a comparative product or required prior therapy, clinical outcomes or financial constraints. For instance, delays or difficulties in patient enrolment or difficulties in retaining trial participants can result in increased costs, longer development times or termination of a clinical trial. Clinical trials of a new solution can require the enrolment of a sufficient number

of patients, including patients who are suffering from the disorder the solution is intended to treat and who meet other eligibility criteria. Rates of patient enrolment are affected by many factors, including the size of the patient population, the eligibility criteria for the clinical trial, that include the age and condition of the patients and the stage and severity of disorder, the nature of the protocol, the proximity of patients to clinical sites and the availability of effective treatments and/or availability of investigational treatment options for the relevant disorder. Additionally, delays in the commencement, enrolment and completion of preclinical and clinical trials could result from the duration and impact of COVID-19.

A psychedelic therapeutic solution can unexpectedly fail at any stage of preclinical and clinical development. The historical failure rate for psychedelic therapeutic solutions is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The results from preclinical testing or early clinical trials of a psychedelic therapeutic solution may not predict the results that will be obtained in later phase clinical trials of the psychedelic therapeutic solution. Health Canada, the EMA, the FDA or other applicable regulatory authorities may suspend clinical trials of a psychedelic therapeutic solution at any time for various reasons, including, but not limited to, a belief that subjects participating in such trials are being exposed to unacceptable health risks or adverse side effects, or other adverse initial experiences or findings. Entheon may not have the financial resources to continue development of, or to enter into collaborations for, a psychedelic therapeutic solution if Entheon experiences any problems or other unforeseen events that delay or prevent regulatory approval of, or its ability to commercialize, psychedelic therapeutic solutions, including:

- inability to obtain sufficient funds required for a clinical trial;
- inability to recruit and retain qualified personnel;
- inability to reach agreements on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- negative or inconclusive results from its clinical trials or the clinical trials of others for psychedelic therapeutic solutions similar to its, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- serious and unexpected drug-related side effects experienced by subjects in its clinical trials or by individuals using drugs similar to its DMT Products;
- conditions imposed by the EMA, Health Canada, the FDA or comparable foreign authorities regarding the scope or design of its clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates and high fail rates of research subjects;
- inadequate supply or quality of psychedelic therapeutic solution components or materials or other supplies necessary for the conduct of its clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of its DMT Products during clinical trials; or
- unfavourable FDA or other regulatory agency inspection and review of a clinical trial site or vendor.

Entheon has no sales, marketing or distribution experience and it will have to invest significant resources to develop those capabilities or enter into acceptable third-party sales and marketing transactions

Entheon has no sales, marketing or distribution experience. To develop sales, distribution and marketing capabilities, Entheon will have to invest significant amounts of financial and management resources, some of which will need to be committed prior to any confirmation that its DMT Solutions will be approved by Health Canada, the FDA or the EMA. For psychedelic therapeutic solutions where Entheon decides to perform sales, marketing and distribution functions itself or through third parties, it could face a number of additional risks, including that Entheon or its third-party sales collaborators may not be able to build and maintain an effective marketing or sales force. If Entheon uses third parties to market and sell its solutions, it may have limited or no control over their sales, marketing and distribution activities on which its future revenues may depend.

Entheon may not be successful in establishing and maintaining development and commercialization collaborations, which could adversely affect its ability to develop its DMT Solutions and its financial condition and operating results

Because developing psychedelic therapeutic solutions, conducting clinical trials, obtaining regulatory approval, establishing manufacturing capabilities and marketing approved solutions are expensive, Entheon may seek to enter into collaborations with companies that have more experience. Additionally, if any of its DMT Solutions receives marketing approval, Entheon may enter into licensing out agreements or sales and marketing transactions with third parties with respect to its unlicensed territories. If Entheon is unable to enter into transactions on acceptable terms, if at all, it may be unable to effectively market and sell its solutions in its target markets. Entheon expects to face competition in seeking appropriate collaborators. Moreover, collaboration transactions are complex and time consuming to negotiate, document and implement and they may require substantial resources to maintain. Entheon may not be successful in its efforts to establish and implement collaborations or other alternative transactions for the development of its DMT Solutions.

When Entheon collaborates with a third party for development and commercialization of a psychedelic therapeutic solution or collaboration in making grant applications, it can expect to relinquish some or all of the control over the future success of that psychedelic therapeutic solution to the third party. One or more of its collaboration partners may not devote sufficient resources to the commercialization of its DMT Solutions or may otherwise fail in their commercialization. The terms of any collaboration or other transaction that Entheon establishes may contain provisions that are not favourable to Entheon. In addition, any collaboration that Entheon enters into may be unsuccessful in the development and commercialization of its DMT Solutions. In some cases, Entheon may be responsible for continuing preclinical and initial clinical development of a psychedelic therapeutic solution or research program under a collaboration transaction, and the payment Entheon receives from its collaboration partner may be insufficient to cover the cost of this development. If Entheon is unable to reach agreements with suitable collaborators for its DMT Solutions, it would face increased costs, it may be forced to limit the number of its DMT Solutions it can commercially develop or the territories in which it can market them. As a result, Entheon might fail to commercialize solutions for which a suitable collaborator cannot be found. If Entheon fail to achieve successful collaborations, its operating results and financial condition could be materially and adversely affected.

Entheon may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights

Entheon may from time to time seek to enforce its intellectual property rights against infringers when it determines that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If Entheon chooses to enforce its patent rights against a party, then that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced. Additionally, the validity of its patents and the patents it has licensed may be challenged if a petition for post grant proceedings such as inter-partes review and post grant review is filed within the statutorily applicable time with the Canadian Intellectual Property Office, the United States Patent and Trademark Office or the European Patent Office. These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if Entheon were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that Entheon does not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe its intellectual property rights.

If Entheon is not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of its psychedelic therapeutic solutions could be significantly diminished

Entheon relies on trade secrets to protect its proprietary information, especially where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Entheon relies

in part on confidentiality agreements with its employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect its trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover its trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of its proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect its competitive business position.

Entheon will need to expand its operations and increase the size of its company, and it may experience difficulties in managing growth

As of the date hereof, Entheon has 3 full-time employees and 16 consultants and part-time contractors. As Entheon advances its DMT Products through preclinical studies and clinical trials, Entheon will need to increase its product development, scientific and administrative headcount to manage these programs. In addition, to meet its obligations as a public company, Entheon may need to increase its general and administrative capabilities. Entheon's management, personnel and systems currently in place may not be adequate to support this future growth. If Entheon is unable to successfully manage this growth and increased complexity of operations, our business may be adversely affected.

Entheon may not be able to manage its business effectively if it is unable to attract and retain key personnel and consultants

Entheon may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses. If Entheon is not able to attract and retain necessary personnel and consultants to accomplish its business objectives, it may experience constraints that will significantly impede the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy.

Entheon is highly dependent on the development, regulatory, commercialization and business development expertise of its management team, key advisors and consultants. If Entheon loses one or more of its executive officers or key advisors or consultants, its ability to implement its business strategy successfully could be seriously harmed. Any of its executive officers or key advisors or consultants may terminate their engagement at any time. Replacing executive officers, key advisors and consultants may be difficult and may take an extended period of time because of the limited number of individuals in Entheon's industry. Competition to hire and retain employees and consultants from this limited pool is intense, and Entheon may be unable to hire, train, retain or motivate these additional key personnel and consultants. Entheon's failure to retain key personnel or consultants could materially harm its business.

In addition, Entheon has scientific and clinical advisors and consultants who assist Entheon in formulating its research, development and clinical strategies. These advisors are not its employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to Entheon. Although Entheon's current scientific and clinical advisors have entered into non-compete agreements which apply during the course of engagement and within the 12 months following the termination of the engagement, future advisors may not. If a conflict of interest arises between their work for Entheon and their work for another entity, Entheon may lose their services. In addition, future advisors may have transactions with other companies to assist those companies in developing products or technologies that may compete with those of Entheon.

Insurance and uninsured risks

Entheon's business is subject to a number of risks and hazards generally, including adverse clinical trial results, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Entheon's insurance will not cover all the potential risks associated with its operations. Entheon may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of Entheon is not generally available on acceptable terms. Entheon might also become subject to liability for pollution or other hazards which may not be insured against or which Entheon may elect not to insure against because of premium costs or other reasons. Losses from these events or any significant uninsured liability may require Entheon to pay substantial amounts, which would adversely affect its financial position and results of operations.

Entheon may be materially adversely affected in the event of cyber-based attacks, network security breaches, service interruptions, or data corruption

Entheon relies on information technology to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities. Entheon uses technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. Entheon's information technology systems, some of which are managed by third-parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors or catastrophic events. Although Entheon has developed systems and processes that are designed to protect proprietary or confidential information and prevent data loss and other security breaches, such measures cannot provide absolute security. If its systems are breached or suffer severe damage, disruption or shutdown and Entheon is unable to effectively resolve the issues in a timely manner, its business and operating results may significantly suffer and it may be subject to litigation, government enforcement actions or potential liability. Security breaches could also cause Entheon to incur significant remediation costs, result in product development delays, disrupt key business operations, including development of its DMT Solutions, and divert attention of management and key information technology resources.

Internal controls

Effective internal controls are necessary for Entheon to provide reliable financial reports and to help prevent fraud. Although Entheon will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on Entheon under Canadian securities law, Entheon cannot be certain that such measures will ensure that Entheon will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Entheon's results of operations or cause it to fail to meet its reporting obligations. If Entheon or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Entheon's consolidated financial statements and materially adversely affect the trading price of the Common Shares.

Management of Entheon will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place. One of the deficiencies in internal control is the lack of segregation of accounting duties due to the limited size of Entheon. However, the threat of this deficiency is considered immaterial as management has taken effective measures to mitigate this weakness.

The potential risk that flows from the identified deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low as management anticipates taking a number of measures as stated above to mitigate the potential risk of fraud, including without limitation: (i) all purchase and payment, including payroll, must be authorized by management; (ii) all capital expenditures must be preapproved by the Entheon Board; (iii) all source documents in any other language other than English must be translated and scanned for accounting entries and recordkeeping purposes; (iv) and almost all of Entheon's cash will

be deposited with a Canadian bank in Vancouver, Canada. Bank statements of Entheon will be reviewed by the CFO of Entheon regularly.

The Entheon Board will continue to monitor the operations of Entheon, evaluate the internal controls, and develop measures in the future to mitigate any potential risks and weaknesses.

Litigation

Entheon may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which Entheon becomes involved be determined against Entheon such a decision could adversely affect Entheon's ability to continue operating and the market price for the Common Shares and could use significant resources. Even if Entheon is involved in litigation and wins, litigation can redirect significant company resources.

Conflicts of interest

Certain of the directors and officers of Entheon are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Entheon may become subject to conflicts of interest. The CBCA provides that in the event that a director or senior officer has a material interest in a transaction or agreement or proposed transaction or agreement that is material to an issuer, the director or senior officer must disclose his interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA. To the management of Entheon's knowledge, as at the date hereof there are no existing conflicts of interest between Entheon and a director or officer of Entheon.

Impact of COVID-19

Entheon's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak of a global health emergency and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, Entheon cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Entheon is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. Entheon may face disruption to restrictions on operations, delays and uncertainties to planned clinical trials, travel restrictions, impact on personnel and the impact on the economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health care challenge for Entheon. There can be no assurance that Entheon's personnel will not be impacted by this pandemic and ultimately that Entheon would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. Depending on the length and severity of the pandemic, COVID-19 could impact Entheon's operations, could cause delays relating to pre-clinical and clinical trials and receipt of approval from Health Canada, the FDA and/or the EMA, could postpone research activities, and could impair Entheon's ability to raise funds depending on COVID-19's effect on capital markets. The duration of the COVID-19 pandemic outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on Entheon's operations and access to capital. There can be no assurance that Entheon will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, share prices and

financial liquidity and thereby that may severely limit the financing capital available. Finally, the duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Entheon in future periods.