ALPHA COGNITION INC.

Management's Discussion and Analysis
For the three months ended March 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Alpha Cognition Inc. ("ACI" or the "Company"), formerly, Crystal Bridge Enterprises Inc., provides analysis of the Company's financial results for the three months ended March 31, 2021. The following information should be read in conjunction with the accompanying audited financial statements and accompanying notes of Alpha Cognition Canada Inc. for the years ended December 31, 2019 and 2020 ("Annual Financial Statements") and the unaudited condensed interim consolidated financial statements and accompanying notes for the three months ended March 31, 2021 and 2020 ("Interim Financial Statements") which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Board of Directors of the Company have approved the information and disclosures contained in this MD&A. All figures are in United States dollars unless otherwise noted. Additional information relating to the Company is available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

The Company's Annual Financial Statements and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102. Continuous Disclosure Obligations of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of May 28, 2021.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward-looking statements". These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words "believes", "expects", "anticipates", "estimates", "intends", "plans", "forecasts", or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve certain risks, uncertainties and assumptions. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf, except as may be required by applicable law.

All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials.

COMPANY DESCRIPTION

ACI is the parent company of Alpha Cognition Canada Inc. ("ACI Canada"), formerly Alpha Cognition Inc. The Company operates from its three offices located in Charlottetown, Prince Edward Island; Vancouver, British Columbia; and West Palm Beach, Florida and is in the business of researching and developing pharmaceutical treatments for neurological diseases. The Company's lead product candidate is ALPHA-1062, a new patented drug developed for the treatment of Alzheimer's Disease. ALPHA-1062 is a next generation Alzheimer's treatment offering alternative routes of administration. The Company is also developing ALPHA-602, Progranulin, a protein that has a potent ability to protect neurons that are under stress. ALPHA-602 is a specific form of Progranulin for the treatment of amyotrophic lateral sclerosis ("ALS").

On March 18, 2021, the Company announced the successful closing of proposed business combination with ACI Canada (the "Transaction"). Pursuant to the Transaction, ACI Canada was acquired by and became a wholly-owned subsidiary of ACI. As part of the Transaction, on March 18, 2021, ACI changed its name to Alpha Cognition Inc. and ACI Canada changed its name to Alpha Cognition Canada Inc. At the time of completion of the Transaction, ACI had 59,171,932 shares issued and outstanding which included 57,531,875 common shares issued to former ACI Canada shareholders, representing 97.23% of the Company's issued and outstanding shares. Initially, the common shares of the Company issued in connection with the Transaction were listed on TSX-V under the ticker symbol "CRYS". Effective March 30, 2021, the trading symbol of ACI was changed to "ACOG".

Upon closing of the Transaction, the shareholders of ACI Canada owned 97.23% of the shares of the Company, and as a result, the transaction is considered a reverse acquisition of the Company by ACI Canada. All previous common shares, share options, and warrants were exchanged at a ratio of one share of ACI Canada for one of ACI. For accounting purposes, ACI Canada is considered the acquirer and the Company, the acquiree. Accordingly, the consolidated financial statements are in the name of Alpha Cognition Inc.; however, they are a continuation of the financial statements of ACI Canada (Refer to Reverse Acquisition section).

ALPHA-1062

ALPHA-1062 is a patented new chemical entity. When absorbed through mucosal tissue or ingested, it is enzymatically converted to a U.S. Food and Drug Administration ("FDA") approved drug marketed by Johnson & Johnson as Razadyne in North America, and Reminyl in Europe and elsewhere. Once converted, the active pharmaceutical ingredient of the Johnson & Johnson product called galantamine hydrobromide and ALPHA-1062 metabolites are identical. However, prior to conversion and during the absorption and ingestion process, ALPHA-1062 has demonstrated a significantly reduced side effect profile allowing dosing at efficacious levels that may not be achieved by its Johnson & Johnson counterpart. Drugs that convert from an inert form to an active substance in-situ are referred to as "pro-drugs". At the time the Company licensed the ALPHA-1062 technology, only a nasal formulation had been developed.

The Company's ALPHA-1062 development plan has two primary goals:

- Clinical Development: Demonstrate to the satisfaction of regulatory bodies that ALPHA-1062 formulations have a significantly reduced side effect profile and favorable dosing regimen.
- Regulatory Development: Demonstrate that a shortened New Drug Application pathway called a 505(b)(2) is available for approval in the United States, allowing commercialization, that utilizes bioavailability and bioequivalence pivotal study instead of the traditional efficacy trials needed for other drugs in this class.

ALPHA-1062 Clinical Development

The original nasal formulation of ALPHA-1062 was used to conduct Phase I human toxicology studies, initially by NLS, and subsequently, on completion of the ALPHA-1062 Agreement, by the Company. The Phase I human toxicology studies included a single ascending dose trial ("SAD Study") followed by a multiple ascending dose ("MAD Study") trial. These Phase I studies are designed to determine the safety of the drug, which was administered to healthy aged patients at increasing doses of ALPHA-1062, initially one time in the SAD Study, and subsequently multiple times over a seven-day period in the MAD Study. These studies convincingly demonstrated the ALPHA-1062 prodrug formulation had reduced gastrointestinal side effects (nausea, diarrhea, vomiting) as compared to one of the existing treatments, Razadyne.

The Company planned and initiated a series of exploratory bioequivalence studies in 30 subjects in the third quarter of 2020 for the following delivery methods:

(1) Nasal Spray: Formulations developed for the nasal spray included the selection of the optimal device for reproducible nasal delivery. For a nasal spray, the drug and device are independently evaluated by the FDA, and both must meet the FDA's criteria as a combination drug/device for approval. The exploratory study establishes the exact spray pattern and dose.

(2) Sublingual tablet: Data recently collected indicated that ALPHA-1062 was well absorbed under the tongue at levels similar to those reported for the reference listed drug, Razadyne. This preliminary data set clearly indicates that an oral dosage is possible and with minimal adjustment of the formulation, can meet clinical trial requirements for approval by the FDA.

Enteric coated tablet: Data for the enteric coated product, a tablet that is swallowed and designed to by-pass the stomach and dissolve directly in the small intestines, will be used to adjust the final dosage prior to initiation of the pivotal studies.

Based on the results of the exploratory studies, the Company will select the optimal formulation and delivery mechanism for submission to the US FDA for final approval and marketing authorization. This decision will be taken once the exploratory study has been completed and the data reviewed, and a market analysis of each is completed. At present, the lead product candidate is the enteric coated tablet formulation.

ALPHA-1062 Summary of Regulatory and Commercial Development

The following is a summary of regulatory steps the Company has planned over the next 24 months:

(1) *Exploratory Studies*: The clinical phase of these studies were completed in the fourth quarter of 2020, and as at the date of this MD&A results had not been finalized. The study was designed to confirm dosage and format for the final Pivotal trial. As designed, it consisted of four arms: (a) sublingual tablet, (b) enteric coated tablet, (c) nasal spray, and (d) comparator reference drug, Razadyne. Each arm of the Study consisted of 10 subjects who were administered the respective dose of ALPHA-1062 and had blood samples drawn at fixed time intervals. These blood samples were analyzed to assess blood plasma concentrations of ALPHA-1062 over time. The validated results were plotted on a graph showing the initial blood concentrations, which increased to a maximum concentration then declined over time. The graph of that particular ALPHA-1062 formulation was compared with the graph of Razadyne, and confirmed improved bioavailability of the prodrug and will therefore require a downward adjusted ofALPHA-1062 dose level for equivalence. The Study's final report will also allow the Company to determine how many subjects will be required to achieve statistical significance in the Pivotal Study.

(2) *Pivotal Study*: Targeted for completion in the second half of 2021. Building on the exploratory studies, the FDA has stated that ALPHA-1062 could be approved if the Company completes a bioavailability and bioequivalence (BABE) clinical trial to confirm that ALPHA-1062 is similar to the approved reference listed drug (RLD), Razadyne. The Pivotal Study will be a repeat of the exploratory study but with more subjects to allow the results to achieve statistical significance. Side effects will also be measured and compared with the RLD.

(3) *New Drug Application Submission*: Targeted for the first half of 2022. Following completion of the Pivotal Study, the Company will submit a New Drug Application for approval to the FDA. The FDA review and approval could be completed within 10 to 12 months following submission.

(4) *Label Study*: Targeted for 2022. Following the NDA submission, the Company intends to complete a clinical study demonstrating ALPHA 1062's reduced side effect profile as compared to existing treatments. The data generated from a successful study could be included in the product information insert, which could facilitate a reduction or elimination of the need for the traditional up-titration period. Thus, allowing a patient to achieve an efficacious dose more quickly with significantly reduced side effects.

(5) *Commercialization Strategy*: Targeted for the second half of 2021 and continuing thereafter, in parallel with the Company's regulatory activities, the Company will take steps to develop a commercialization team to manage and monitor product manufacturing and distribution. The Company intends to commercialize ALPHA-1062 with a best-in-class neurology and long-term care specialty sales force that will focus on Neurology and Long Term Care physicians in the US. Neurologists that specialize in Alzheimers treatment make pharmacologic decisions for Alzheimers patients in a clinic setting. Long term care physicians who treat elderly patients who reside in nursing homes also make pharmacologic decisions in concert with the long-term care treatment team. The ACHEI prescription market from these two specialties is large, with over 7.5 million RX's filled in pharmacies each year. Prescription data suggests that there is currently high

turnover of patients treated with older ACHEI medications, with 30% of patients discontinuing treatment by month 4 and 45% discontinuing treatment by the end of year 1. The company believes that patients who discontinue a first therapy will try a 2nd line and 3rd line therapy. The willingness to try multiple therapeutics provides an opportunity for a new medication to take market share in the overall ACHEI market. The sales force will make potential key points of label differentiation, exploit key issues with existing ACHEI treatments, and franchise with potential additional indications and new products. Success will be further enbabled by a deploying a highly targeted and efficient multi-channel market campaign, by motivating caregivers to request ALPHA-1062, and securing product coverage with US payors. Market research indicates that payors are likely to cover ALPHA-1062 if the product is priced at a market competitive wholesale average cost. Alpha Cognition will seek strategic partnerships to expand promotional efforts and expand physician promotional coverage. As ALPHA-1062 nears FDA regulatory approval, the Alpha Cognition, Inc will seek to contract with distribution partners for major territories, identified as Europe, LATAM, and Asia.

ALPHA-602

The ALPHA-602 product candidate originated almost a decade ago when it was discovered by two professors at McGill University in Montreal that a protein called Progranulin seemed to show activity for several neurological disorders. Progranulin is a large protein that was found to be present in virtually all living animals and seemed to be used by the body for multiple tasks. Upon further investigation, scientists discovered that the large molecule was made of smaller polypeptides or subunits, referred to as Granulin Epithelin Modules (“GEMs”).

Current treatments for ALS are relatively new from an approval perspective and appear to have limited effectiveness. It is the Company’s view that all current approved treatments have limited efficacy and are not well received by patients, physicians, or caregivers.

ALPHA-602 Pre-Clinical Development

To investigate ALPHA-602’s potential, ACI designed a program that would stimulate the overproduction of the protein in animals with specific neurological disorders. Initial work with animal models of ALS were completed in 2013 and indicated that Progranulin did in fact reverse the disease process. Additional in-vitro and in-vivo investigations to maximize the effectiveness of these product candidates are ongoing.

ALPHA-602 Regulatory Development

Upon completion of the on-going program and selection of a primary drug candidate, relevant pre-clinical studies will be initiated in animal models consistent with U.S. FDA requirements to support an Investigational New Drug Application. The lead drug candidate would follow a conventional NDA approval process requiring Phase I – III clinical trials supporting its use to treat ALS.

In March 2019, ALPHA-602 received Orphan Drug Designation by the FDA for the use of ALPHA-602 in the treatment of ALS. The Orphan Drug Designation has a number of significant benefits including:

(1) tax credits of 50% off the clinical drug testing cost awarded upon approval;

(2) eligibility for market exclusivity for seven years post approval; and

(3) waiver of New Drug Application and biologics license application fees, which would be approximately US$2,200,000.

Current Year Summary

Prior to the completion of the reverse acquisition, the Company completed a share consolidation on the basis of one new post-consolidation common share for every 7.14 pre-consolidation common shares. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation.

On March 17, 2021, the Company amended its articles to include additional classes of shares to its authorized share capital.

On March 18, 2021, the Company announced the successful closing of the proposed business combination with ACI Canada. Pursuant to the Transaction, ACI Canada was acquired by and became a wholly-owned subsidiary of ACI. Refer to Reverse Acquisition section.

Concurrent to the reverse acquisition transaction, the following occurred:

- ACI Canada and ACI completed a brokered private placement by raising $4,166,639 by way of the sale of 3,360,124 subscription receipts at a price of CAD$1.60 per subscription receipt ("Subscription Receipt") with each Subscription Receipt consisting of one common share and one-half warrant ("Private Placement"). Each whole warrant is exercisable at a price of CAD$2.10 per warrant for a term of 24 months from the closing date. In connection with the Private Placement, ACI Canada agreed to pay a cash commission of $209,174 and issue 130,733 warrants under the Private Placement to the agents. Each agent warrant is exercisable into common shares of ACI at an exercise price of CAD$1.60 for a term of 2 years.
- ACI Canada issued 1,613,186 Subscription Receipts on the conversion of $2,296,019 worth of net convertible debentures.
- ACI Canada issued 2,139,763 Common shares on the conversion of $1,880,398 worth of net convertible debentures and 94,273 Common shares on the conversion of $90,735 worth of interest on the convertible debentures.
- The directors of the Company, Pardeep Sangha, Taylor Thoen, Kenneth Hallat and Mark Kohler resigned and the Company appointed Kenneth Cawkell, Frederick Sancilio, John Havens, Len Mertz, Philip Mertz as new directors.

Subsequent Events

On April 12, 2021, the Company appointed a new CEO, Michael McFadden, and with that Kenneth Cawkell stepped down as CEO of the Company.

REVERSE ACQUISITION

On October 27, 2020, ACI Canada entered into an Arrangement Agreement with ACI whereby ACI would acquire 100% of the issued and outstanding shares of ACI Canada by issuing to the shareholders of ACI Canada one common share of ACI ("CPC Share") for every one common share of ACI Canada share held by each ACI Canada shareholder (the "Transaction"). Certain US resident ACI Canada shareholders agreed to receive a restricted voting share (a "Restricted Voting Share") in place of a CPC Share which is equivalent to a CPC Share except that it will not be counted in a shareholder vote for the election of directors. In addition, holders of Class C Preferred shares of ACI Canada received one Class B Preferred Share of ACI for each Class C Preferred share of ACI Canada held by such shareholder. The outstanding options and warrants of ACI Canada became convertible into options and warrants of ACI.

On March 18, 2021, the Transaction completed resulting in ACI acquiring 100% of the shares of ACI Canada and ACI Canada's shareholders receiving 42,615,495 post-consolidated common shares, 7,000,000 restricted voting shares, 7,916,380 preferred shares, 11,819,169 warrants, and 10,069,365 share options of ACI. The ACI shareholders retained 1,604,507 common shares on completion of the transaction and the former ACI share option holders were granted 108,543 share options.

The transaction constitutes a reverse acquisition of ACI and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided under IFRS 2, *Share-based Payment* and IFRS 3, *Business Combinations*. As ACI did not qualify as a business according to the definition in IFRS 3, *Business Combination*, this reverse acquisition does not constitute a business combination; rather the transaction was accounted for as an asset acquisition by the issuance of shares of the Company, for the net assets of ACI and its public listing. Accordingly, the transaction has been accounted for at the fair value of the equity instruments granted by the shareholders of ACI Canada to the shareholders and option holders of ACI. The sum of the fair value of the consideration paid (based on the fair value of the ACI shares just prior to the reverse acquisition)

less the ACI net assets acquired, has been recognized as a listing expense in profit or loss for the three month period ended March 31, 2021.

For accounting purposes, ACI Canada was treated as the accounting parent company (legal subsidiary) and ACI has been treated as the accounting subsidiary (legal parent) in these condensed interim consolidated financial statements. As ACI Canada was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the condensed interim consolidated financial statements at their historical carrying value. The results of operations of ACI are included in the condensed interim consolidated financial statements from the date of the reverse acquisition of March 18, 2021.

CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of convertible debentures, the valuation of investments in films and intangible assets including goodwill, the valuation of investments in equity instruments, the valuation of share-based compensation and other equity based payments and derivative liability, and the valuation of expected credit loss.

Significant judgements includes the determination of functional currency, assessments over level of control or influence over companies, and the recoverability and measurement of deferred tax assets.

Critical judgment exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as follows:

Functional currency
Management is required to assess the functional currency of each entity of the Company. In concluding on the functional currencies of the parent and its subsidiaries, management considered the currency that mainly influences the sale prices of goods and services and the cost of providing goods and services in each jurisdiction in which the Company operates. When no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained. As at March 31, 2021, the functional currency of the Company is CAD and its subsidiaries is the USD.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Going concern
The assessment of the Company’s ability to continue as a going concern involves management judgement about the Company’s resources and future prospects.

Impairment of intangible assets
The application of the Company’s accounting policy for intangible assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery

of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Information about assumptions and estimation uncertainties that have a risk of resulting in significant adjustments are as follows:

Share-based payment transactions and valuation of derivative liability
The Company uses the Black-Scholes Option Pricing Model to determine the fair value of stock options, standalone share purchase warrants issued and derivative liability. This model requires the input of subjective assumptions including expected share price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

Useful lives of intangible assets
The Company records intangible assets acquired at their fair value. Determining fair value requires management to use estimates that could be material. Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use.

SELECTED QUARTERLY INFORMATION

The following financial data is derived from the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020.

	Three months ended March 31,	
	2021	2020
	$	$
Operating expenses	(2,456,065)	(1,051,483)
Other income (expenses)	(9,768,883)	16,278
Loss and comprehensive loss	(12,224,948)	(1,035,205)
Basic and diluted loss per common share	(0.28)	(0.02)
Working capital (deficiency)	6,797,282	4,522,637
Total assets	8,229,378	5,677,275
Total long-term liabilities	8,885,063	855,348

RESULTS OF OPERATIONS – Three Months Ended March 31, 2021

During the quarter ended March 31, 2021, the Company's primary focus was on the continued development of ALPHA-1062.

For the three months ended March 31, 2021 operating expenses increased by $1,396,548 from $1,051,483 in the three months ended March 31, 2020 to $2,456,065 in the three months ended March 31, 2021 primarily as a result of:

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Accretion expense	Increase of $379,908	Increased due to the new offering of the convertible debentures in April 2020.
Management fees	Increase of $54,801	Increased due to the hiring of the CFO during the 2020 Q3
Professional fees	Increase of $52,170	Increased due to additional accounting and legal expenses required in relation to the Transaction
Research and development	Increase of $795,787	Increased due to increased activity into the development of ALPHA-1062 and ALPHA-602.
Share-based compensation	Increase of $77,336	Increased due to milestones being met for performance condition stock options.

The following also occurred during the three months ended March 31, 2021 as compared to the three months ended March 31, 2020:

- The Company recorded a listing expense of $1,851,194 as a result of the Transaction.
- The Company recorded a loss on derivative liability of $7,899,653 on the revaluation of the derivative liability relating to the convertible debentures and the recognition of a derivative liability on the transfer of warrants from ACI Canada to ACI, per the Transaction, with an exercise price in USD.

SUMMARY OF QUARTERLY RESULTS FOR THE LAST CONSECUTIVE EIGHT QUARTERS

The following table presents the unaudited summarized financial information for the last eight quarters:

	Q1 F2021	Q4 F2020	Q3 F2020	Q2 F2020
	$	$	$	$
Operating expenses	(2,456,065)	(2,134,928)	(1,537,044)	(1,752,096)
Other income (expenses)	(9,768,883)	487,129	90,850	97,087
Loss and comprehensive loss for the period	(12,224,948)	(1,647,799)	(1,446,194)	(1,655,009)
Loss per share	(0.28)	(0.04)	(0.03)	(0.04)
Weighted average shares	44,372,787	42,996,524	42,998,154	42,904,857

	Q1 F2020	Q4 F2019	Q3 F2019	Q2 F2019
	$	$	$	$
Operating expenses	(1,051,483)	(1,558,574)	(2,232,102)	(1,132,815)
Other income (expenses)	16,278	26,318	(155,535)	(282,288)
Loss and comprehensive loss for the period	(1,035,205)	(1,532,256)	(2,387,637)	(1,415,103)
Loss per share	(0.02)	(0.04)	(0.08)	(0.05)
Weighted average shares	42,896,524	42,105,220	31,728,803	26,199,352

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2021, the Company has current assets of $7,440,251 and current liabilities of $642,969, which resulted in working capital of $6,797,282 (March 31, 2020 - $4,522,637).

The Company does not have operating revenue to finance its existing obligations and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has relied on debt and equity raises to finance its operating activities since incorporation. The Company intends to continue to rely on debt and the issuance of shares to finance its operations. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

The table below sets forth a summary of cash flow activity and should be read in conjunction with the Company's cash flow statements included in the Annual Financial Statements:

	Three months ended March 31,	
	2021	2020
	$	$
Cash flows used in operating activities	(1,037,043)	(1,105,298)
Cash flows provided by investing activities	448,963	-
Cash flows provided by (used in) financing activities	1,910,115	(4,000)
Effect on foreign exchange on cash	(10,347)	-
Increase (decrease) in cash during the period	1,311,688	(1,109,298)
Cash, beginning of period	5,926,350	5,497,508
Cash, end of period	7,238,038	4,388,210

The cash flow used in operating activities decreased by $68,255 to $1,037,043 for the three months ended March 31, 2021 from $1,105,298 for the comparative period. The decrease in cash flow from operating activities represents the effect on cash flows from net losses adjusted for items not affecting cash, principally: accrued interest expenses, accretion expense, listing expense, share-based compensation expense, and changes in the value of derivatives, in addition to net changes in non-cash balances relating to operations.

Cash provided by investing activities for the three months ended March 31, 2021 increased by $448,963 compared to the comparative period due to the cash received from the Transaction.

Cash provided by (used in) financing activities for the three months ended March 31, 2021 increased by $1,914,115 compared to the comparative period. During the three months ended March 31, 2021, financing activities included raising $2,267,899 from the issuance of common shares less share issuance costs of $351,784.

OFF BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at March 31, 2021 or the date of this report.

COMMITMENTS

1) ALPHA-1062 Technology

In March 2015, the Company entered into the Memogain Technology License Agreement ("License Agreement") with NLS, a formerly related party through common shareholders, for the exclusive right and license to further develop and exploit the Alpha 1062, formerly Memogain Technology. The License Agreement set out the consideration as follows:

- The Company assumed all of NLS's obligations under the Memogain Asset Purchase Agreement which consisted of cumulative total payments to Galantos Pharma GmbH of €10,000,000, the cumulative total may be increased to €15,000,000 subject to certain provisions, which is to be paid as follows (collectively the "Galantos Royalty Payments"):
    - 3% of the net sales revenue received by the Company from the sale of any products relating to the ALPHA-1062 Technology;
    - 10% of any sublicensing revenue; and
    - 25% of an upfront payment or milestone payment paid by a sub-licensee to the Company;
- Upon completion of the Galantos Royalty Payments, a royalty payment to NLS of 1% of the revenue received from the ALPHA-1062 Technology by the Company over $100 million per annum and
- The issuance of a promissory note of $1,400,000 to NLS (Note 7).

On January 1, 2016, the Company assumed NLS's obligations under a Royalty Agreement with Galantos Consulting dated August 31, 2013, which consisted of cumulative total payments to Galantos Consulting of €2,000,000, the cumulative total may be increased to €3,000,000 subject to certain provisions, which is to be paid as follows:

- 1% of the net sales revenue received by the Company from the sale of any products relating to the ALPHA-1062 Technology;
- 2% of any sublicensing revenue; and
- 2% of an upfront payment or milestone payment paid by a sub-licensee to the Company.

2) ALPHA-602 Technology

In November 2020, the Company entered into a license agreement with NLS for the world-wide exclusive right to the Progranulin ("ALPHA-602") Technology. In accordance with the agreement, the Company will pay the following:

- $50,000 to NLS before January 15, 2021 (paid);
- a royalty of 1.5% of the commercial sales, capped at $2,000,000, to NLS;
- 10% of any Upfront Payments in excess of $2,000,000.

The total amount payable to NLS under this agreement shall not exceed $2,000,000.

CONTINGENCIES

The Company did not have any contingencies as at March 31, 2021 or date of report.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors.

In September 2018, the Company signed a management agreement with CMI Cornerstone Management Corp. ("CMI"), a company controlled by Ken Cawkell, the former CEO and director of the Company, which requires monthly payments of $15,000. In June 2019, the Company amended the agreement to increase the monthly fees to $18,000. Included in the agreement is a provision for a termination payment equal to the greater of (i) $432,000 less any fees previously paid under the agreement between June 1, 2019 and the date of termination or (ii) $54,000.

In September 2018, the Company signed a management agreement with 9177 – 586 Quebec Inc. ("9177 Quebec"), a company controlled by Denis Kay, the CSO of the Company, which requires monthly payments of $13,333 per month for an effective term of two years. In June 2019, the Company amended the agreement to increase the monthly fees to $15,000. Included in the agreement is a provision for a termination payment equal

to the greater of (i) $360,000 less any fees previously paid under the agreement between June 1, 2019 and the date of termination or (ii) $45,000.

In September 2018, the Company signed a management agreement with Clearway Global, LLC ("Clearway Global"), a company controlled by Fred Sancilio, the President of the Company's wholly owned subsidiary, ACI USA, which requires monthly payments of $10,000 per month for an effective term of two years. In June 2019, the Company amended the agreement to increase the monthly fees to $20,000. Included in the agreement is a provision for a termination payment equal to the greater of (i) $480,000 less any fees previously paid under the agreement between June 1, 2019 and the date of termination or (ii) $60,000. In February 2021, the Company amended the agreement to increase the monthly fees to $24,166.

In August 2020, the Company signed a management agreement with Seatrend Strategy Group, ("Seatrend"), a company controlled by Jeremy Wright, the CFO of the Company which requires monthly payments of $6,000. In October 2020, the Company amended the agreement to increase the monthly fees to $15,000. Included in the agreement is a provision for a termination payment of six's month's retainer.

During the three months ended March 31, 2021, the Company entered into the following transactions with related parties:

a) Incurred management fees of $54,000 (March 31, 2020 - $54,000) and share-based compensation of $95,582 (March 31, 2020 - $53,173) to CMI. During the three months ended March 31, 2021, CMI converted the First Note debentures into 21,712 shares of the Company for the principal and interest portion. CMI also converted its Second Note debentures into 16,625 units of the Company with each unit consisting of one common share and one-half warrant with each warrant entitling the holder to acquire one common share of the Company for CAD$2.10 up to March 18, 2023. As at March 31, 2021, $nil (December 31, 2020 - $44,450 was included in accounts payable and accrued liabilities owing to CMI.

b) Incurred management fees of $54,801 (March 31, 2020 - $nil) to Seatrend.

c) Incurred management fees included in research and development of $45,000 (March 31, 2020 - $45,000) and share-based compensation included in research and development of $95,852 (March 31, 2020 - $53,173) 9177 Quebec. During the three months ended March 31, 2021, 9177 Quebec converted the First Note debentures into 10,856 shares of the Company for the principal and interest portion. 9177 Quebec also converted its Second Note debentures into 8,312 units of the Company with each unit consisting of one common share and one-half warrant with each warrant entitling the holder to acquire one common share of the Company for CAD$2.10 up to March 18, 2023. As at March 31, 2021, $nil (December 31, 2020 - $32,250) was included in accounts payable and accrued liabilities owing to 9177 Quebec.

d) Incurred management fees included in research and development of $68,333 (March 31, 2020 - $60,000) and share-based compensation included in research and development of $398,612 (March 31, 2020 - $70,796) to Clearway Global. During the three months ended March 31, 2021, Clearway Global converted the First Note debentures into 21,712 shares of the Company for the principal and interest portion. Clearway Global also converted its Second Note debentures into 16,625 units of the Company with each unit consisting of one common share and one-half warrant with each warrant entitling the holder to acquire one common share of the Company for CAD$2.10 up to March 18, 2023. As at March 31, 2021, $nil (December 31, 2020 - $16,521) was included in accounts payable and accrued liabilities owing to Clearway Global.

e) During the three months ended March 31, 2021, Len Mertz, a director of the Company, Mertz Holdings and Mertz Trust, entities controlled by Len Mertz, converted the First Note debentures into 562,518 shares of the Company for the principal and interest portion. Additionally, their Second Note debentures were converted into 430,428 units of the Company with each unit consisting of one common share and one share purchase warrant with each warrant entitling the holder to acquire one common share of the Company for CAD$2.10 up to March 18, 2023.

f) During the three months ended March 31, 2021, John Havens, a director of the Company, converted the First Note debentures into 492,392 shares of the Company for the principal and interest portion. Additionally, their Second Note debentures were converted into 376,838 units of the Company with each unit consisting of one common share and one share purchase warrant with each warrant entitling the holder to acquire one common share of the Company for CAD$2.10 up to March 18, 2023.

g) During the three months ended March 31, 2021, Philip Mertz, a director of the Company, converted the First Note debentures into 164,365 shares of the Company for the principal and interest portion. Additionally, their Second Note debentures were converted into 125,854 units of the Company with each unit consisting of one common share and one share purchase warrant with each warrant entitling the holder to acquire one common share of the Company for CAD$2.10 up to March 18, 2023.

h) During the three months ended March 31, 2021, Vincorp Holdings, a company controlled by a director of the Company, Rob Bakshi, converted the First Note debentures into 10,856 shares of the Company for the principal and interest portion. Additionally, their Second Note debentures were converted into 8,312 units of the Company with each unit consisting of one common share and one share purchase warrant with each warrant entitling the holder to acquire one common share of the Company for CAD$2.10 up to March 18, 2023.

i) During the three months ended March 31, 2021, the Company paid $3,336 (March 31, 2020 - $300) in legal fees and $9,000 (March 31, 2020 – $9,000) in office and general expenses to Cawkell Brodie LLP, a law firm where Mr. Cawkell is a managing partner. As of March 31, 2021, $nil (December 31, 2020 - $4,059) was included in accounts payable and accrued liabilities owing to Cawkell Brodie LLP.

j) During the three months ended March 31, 2021, the Company paid $nil (March 31, 2020 – $4,500) in office and general expenses to NLS, a company formerly related by common shareholders. As at March 31, 2021, $nil (December 31, 2020 - $6,012) was included in accounts payable and accrued liabilities owing to NLS and $1,211,463 was owed for a promissory note.

Summary of key management personnel compensation:

	For the three months ended March 31,	
	2021	**2020**
	$	$
Office and general	9,000	13,500
Management fees	108,801	54,000
Professional fees	3,336	300
Research and development - management fees	113,333	105,000
Share-based compensation	590,316	177,142
	824,786	**349,942**

These expenditures were measured by amounts agreed upon by the transacting parties.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

- Level 3 – Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumption that market participants would use in pricing.

The Company's financial instruments consist of cash, subscription receipts receivable, accounts payable, related parties payable, convertible debentures, derivative liability, and promissory note. The fair values of subscription receipts receivable, accounts payable, related parties payable, refundable subscription receipts, convertible debentures and promissory note approximates their carrying values either due to their nature or current market rates for similar instruments. Cash is measured at fair value on a recurring basis using level 1 inputs. Derivative liability is measured at fair value on a recurring basis using level 3 inputs. The continuity and valuation techniques that are used to determine the fair value of the derivative liability are described in Notes 6 and 8 of the Interim Financial Statements.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, and liquidity risk.

a) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the United States. As at March 31, 2021, the Company had net monetary assets of approximately $3,100,000 denominated in Canadian dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. A 10% change in the exchange rate with the Canadian dollar would change net loss and comprehensive loss by approximately $250,000. At this time, the Company currently does not have plans to enter into foreign currency future contracts to mitigate this risk, however it may do so in the future.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's cash is held in a large Canadian financial institution and a United States of America based financial institution. The Company maintains certain cash deposits with Schedule I financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk. The Company's maximum credit risk is equal to the carrying value of cash at March 31, 2021 and December 31, 2020.

c) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate cash flow risk. The Company does not hold any financial liabilities with variable interest rates. Financial assets and liabilities with fixed interest rates expose the Company to interest rate price risk. As at March 31, 2021, the promissory note bears interest of 2% per annum and is subject to interest rate price risk. The Company maintains bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

d) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

OTHER RISKS AND UNCERTAINTIES

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks are associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Global Pandemics

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. The Company's operations have not been drastically impacted by the pandemic. Management of the Company continues to monitor the situation and is following the protocols and rules set in place by the provincial, state, and federal governments.

Financing Risks

We have limited capital and we may require funds in excess of our existing cash resources to fund operating deficits, develop new products or services, establish and expand our marketing capabilities, and finance general and administrative activities. We do not currently generate sufficient cash from our businesses to fund our operations. We do not have any bank credit facility or other working capital credit line under which we may borrow funds for working capital or other general corporate purposes. If we do not have, or are not able to obtain, sufficient funds, we may have to delay strategic opportunities, investments, or projects. If we are unable to raise adequate funds, we may have to delay or reduce the scope of, or eliminate some or all of our current research and development. Any of these actions could have a material adverse effect on our business, results of operations or financial condition.

History of Operating Losses and Negative Cash Flow from Operating Activities

The Company has reported negative cash flow from operating activities since inception and expects to experience negative operating cash flows for the foreseeable future. The operating losses will continue as significant costs will incur to the clinical development of ALPHA-1062 and development of the PGRN Technology. Until the approval from the FDA and other regulatory authorities for the sale of ALPHA-1062, the Company's working capital requirements are dependent on the Company's ability to raise capital by future issuances of common shares, debt instruments or other securities convertible into common shares.

Research and Development Risk

The Company's organic growth and long-term success is dependent in part on its ability to successfully develop products and it will likely incur significant research and development expenditures to do so. The Company cannot be certain that any investment in research and development will yield technically feasible or commercially viable products. Furthermore, its ability to discover and develop products will depend on its ability to:

- retain key scientists as employees or partners;
- develop products internally and assist its partners with development;
- successfully complete laboratory testing and clinical trials on humans;
- obtain and maintain necessary intellectual property rights to the Company's products;
- obtain and maintain necessary U.S. and other regulatory approvals for its products;
- collaborate with third parties to assist in the development of its products; and
- enter into arrangements with third parties to co-develop, license, and commercialize its products.

The Company may not be successful in developing drug and medical device products. Failure to introduce and advance and advance new and current products could materially and adversely affect the Company's operations and financial condition.

Clinical Development Risks

The Company must demonstrate the safety and efficacy of their products through extensive clinical testing. The Company's drug research and development programs are at an early stage of development. Numerous unforeseen events during, or as a result of, the testing process could delay or prevent commercialization of any products the Company develops, including the following:

- the results of early clinical studies may be inconclusive, may demonstrate potentially unsafe drug characteristics, or may not be indicative of results that will be obtained in later human clinical trials;
- the safety and efficacy results attained in the early clinical studies may not be indicative of results that are obtained in later clinical trials;
- after reviewing early clinical study results, the Company or its partners or collaborators may abandon projects that were previously thought to be promising.

Clinical studies are very expensive, can run into unexpected difficulties and the outcomes are uncertain. The final data collected from this study (or any other studies the Company conducts) may not be sufficient to support the regulatory approval of additional human testing of such product(s). Clinical studies of the Company's products may not be completed on schedule or on budget. The Company's failure to complete any of its clinical studies on schedule or on budget, or its failure to adequately demonstrate the safety and efficacy of any of the products it develops, could delay or prevent regulatory approval of such products, which could adversely affect the Company's business, financial condition, and results of operations.

Retention of Skilled Management

Our success depends to a significant extent on our ability to identify, hire, and retain qualified creative, technical and managerial personnel in a competitive job market. We expect competition for personnel with the specialized creative and technical skills needed to create our products and provide our services will continue to intensify in future. Our competitors may be able to offer a work environment with higher compensation or more opportunities to work with cutting-edge technology than we can. If we are unable to retain our key personnel or appropriately match skill sets with our needs, we would be required to expend significant time and financial resources to identify and hire new qualified personnel and to transfer significant internal historical knowledge, which might significantly delay or prevent the achievement of our business objectives.

Intellectual Property

Patents issued or licensed to the Company and trademarks registered or licensed to the Company may be infringed upon by the products or processes of others.We hold a number of trademarks and copyrights relating to certain significant products. We rely on patent laws and contractual provisions to protect these patents, and there can be no assurance that third parties will not infringe or misappropriate our patents. The monitoring and enforcement against the unauthorized use of our intellectual property rights could entail significant expenses and could prove difficult or impossible. As well, the laws of other countries in which we may choose to market our products may afford little or no effective protection of our intellectual property. If we lose some or all of our intellectual property rights, our business may be materially adversely affected.

Dilution to Current Shareholders

In order to finance our operations, we have raised funds through the issuance of common shares and securities convertible into common shares and may do so again in future. We cannot predict the size of future issuances of common shares or the size or terms of future issuances of debt instruments or other securities convertible into common shares, or the effect, if any, that future issuances and sales of our securities will have on the market price of our common shares. Sales or issuances of substantial numbers of common shares, or the perception that such sales could occur, may adversely affect the market price of our common shares. With any additional sale or issuance of common shares, or securities convertible into common shares, our investors will suffer dilution to their voting power.

ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the three months ended March 31, 2021, and have not been applied in preparing these condensed interim consolidated financial statements nor does the Company expect these amendments to have a significant effect on its condensed interim consolidated financial statements.

DISCLOSURE OF CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The CFO, together with other members of management, have designed the Company's disclosure controls and procedures in order to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries would be known to them, and by others, within those entities.

Management has also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS. Management has assessed the effectiveness of the Company's internal control over financial reporting as of the three months ended March 31, 2021.

While the officers of the Company have designed the Company's disclosure controls and procedures and internal controls over financial reporting, they expect that these controls and procedures may not prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute assurance that the objectives of the control system are met.

DISCLOSURE DATA FOR OUTSTANDING COMMON SHARES, OPTIONS, AND WARRANTS

The Company is authorized to issue the following share capital:

- Unlimited common voting shares without par value ("Common share")
- Unlimited Class A restricted voting shares without par value ("Restricted share")
- Unlimited Class B preferred Series A shares without par value ("Class B preferred shares")

Below is a summary of the common shares issued, stock options, and share purchase warrants as at March 31, 2021 and the date of this report:

	March 31, 2021	Date of this Report
Common shares	44,843,927	44,843,927
Restricted shares	7,000,000	7,000,000
Class B preferred shares	7,916,380	7,916,380
Common share options	386,851	386,851
ACI Canada legacy performance options	9,991,057	9,991,057
Warrants	11,819,169	11,819,169

Common share options

The Company has issued incentive options to certain directors, officers, and consultants of the Company. As of the date of this report, the following share options are outstanding and exercisable:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
		$	
77,030	77,030	0.57 (CAD$0.714)	June 16, 2021
200,000	50,000	1.67 (CAD $2.10)	March 29, 2023
31,513	31,513	0.57 (CAD$0.714)	September 21, 2023
39,154	39,154	0.40	June 1, 2029
39,154	39,154	0.40	July 22, 2030
386,851	236,851		

ACI Canada legacy performance options

The Company has issued incentive options to certain directors, officers, and consultants of the Company. As of the date of this report, the following share options are outstanding and exercisable:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
		$	
900,000	900,000	0.001	February 1, 2026
691,057	691,057	0.01	December 31, 2027
4,600,000	3,040,000	0.01	September 1, 2028
3,800,000	3,017,500	0.01	June 1, 2029
9,991,057	7,648,557		

Warrants

A summary of the share purchase warrants outstanding as at the date of this report is as follows:

Warrants Outstanding	Exercise Price	Expiry Date
	$	
440,000	0.40	July 5, 2023
8,761,783	0.40	August 30, 2024
2,486,653	1.67 (CAD$2.10)	March 18, 2023
130,733	1.27 (CAD$1.60)	March 18, 2023
11,819,169		

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on or in:

- SEDAR at www.sedar.com;
- the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019; and
- the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020.

This MD&A was approved by the Board of Directors of Alpha Cognition Inc. effective May 28, 2021.