AWAKN LIFE SCIENCES CORP. (FORMERLY 1169082 BC LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2021

(Express in Canadian Dollars, unless otherwise noted)

Management's Discussion and Analysis

General

The following Management's Discussion and Analysis (the "**MD&A**") of the consolidated financial position and results of operations for Awakn Life Sciences Corp. ("Awakn", the "Company", "we" or "us") is prepared as at September 13, 2021, and is for the for the three and six months ended July 31, 2021. It is supplemental to, and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and six months ended July 31, 2021, and with Awakn Life Sciences Inc.'s ("Awakn Inc.") consolidated financial statements and the accompanying notes for the period from April 27, 2020 (date of incorporation) to January 31, 2021 (the "**Financial Statements**"). This section may contain forward-looking information that involve numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such forward-looking information. See "Forward-Looking Statements". All dollar figures included therein and in the following MD&A are expressed in Canadian dollars unless stated otherwise.

The Company's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. However, the Company considers certain Non-GAAP measures and financial information included within this MD&A as useful additional information to assess its financial performance.

The discussion and analysis in this MD&A is based on information available to management as of September 13, 2021.

Forward-looking statements

The information provided in this MD&A, including information incorporated by reference, may contain "forward- looking statements" and "forward-looking information" (collectively referred to hereafter as "**forward-looking statements**") about the Company.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expect or anticipate will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments.

These statements speak only as of the date they are made and are based on information currently available and on the then current expectations of the Company and assumptions concerning future events. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described in the Company's AIF under the headings "*Risk Factors*" and in other documents incorporated by reference in the AIF or this MD&A.

In particular, this MD&A contains forward-looking statements pertaining to, but not limited to the following:

- the impact of the COVID-19 pandemic;
- expectations regarding the Company's ability to raise capital;
- statements relating to the business and future activities of, and developments related, to the Company to the date of this MD&A and thereafter;
- the business objectives of the Company and its research and development activities;

- the acceptance in the medical community of ketamine and other psychedelic substances as effective treatment for AUD and other mental health conditions;
- the healthcare industry in the United Kingdom and the European Union;
- patient acceptance and referrals to the Company's clinics;
- the approval of regulatory bodies of psychedelic substances other than ketamine, including MDMA and NCE's, for the treatment of various health conditions;
- the ability of the Company to complete and operate its clinics;
- the ability of new clinics to offer technology-enabled, ketamine-enhanced psychotherapy, psychedelic-enhanced psychotherapy and psychedelic-integration psychotherapy services;
- the ability of the Company to complete and operate its clinical expansion plan;
- the ability of the Company to develop proper protocols to incorporate the use of additional psychedelic medicines as they are legalized and approved for use;
- the ability of the Company to obtain regulatory approvals prior to each clinical trial;
- the ability of the Company to provide effective licensing services to physicians or others owning clinics;
- the ability of the Company to generate patient member growth;
- controlled substances laws;
- reliance on third parties;
- liquidity of the Common Shares;
- anticipated developments in operations of the Company;
- currency fluctuations; and
- estimated budgets of the Company.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to (i) obtaining necessary shareholder and regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions including that financial markets will not in the long term be adversely impacted by the COVID-19 pandemic; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) receipt and/or maintenance of required licenses and third party consents in a timely manner or at all; and (viii) the success of the operations of the Company.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in the Company's AIF. Consequently, all forward-looking statements made in this MD&A and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on their behalf may issue. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable securities laws. For all these reasons, shareholders should not place undue reliance on forward-looking statements.

For a more detailed discussion of the risk and other factors, see Awakn's AIF dated September 13, 2021 under the heading "Risk Factors", or otherwise disclosed in the public filings made with applicable security regulators and available at www.sedar.com.

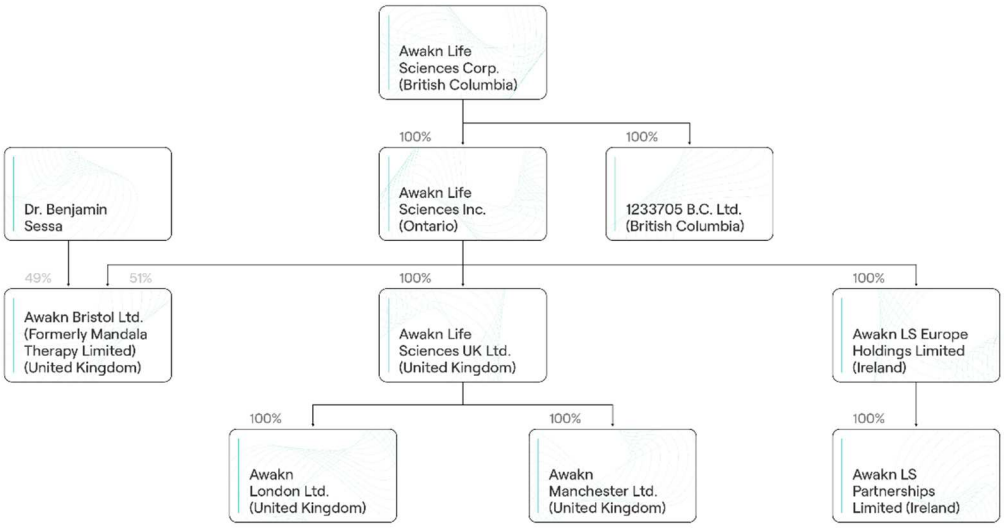
Corporate Structure

The Company was incorporated on June 21, 2018 under the BCBCA under the name 1169082 BC Ltd. as a wholly-owned subsidiary of Hemagenetics Technologies Corp. ("HTC"), then a reporting issuer in the provinces of British Columbia and Alberta. On June 26, 2018, the Company entered into a statutory arrangement with among others, HTC (the "Arrangement"). The Arrangement received final B.C. supreme court approval on July 19, 2018. On April 29, 2019, the Company completed the Arrangement and became a reporting issuer in the provinces of British Columbia and Alberta. Effective June 15, 2021, the Company completed a reverse takeover transaction (the "RTO") of Awakn Inc. Awakn Inc. pursuant to which Awakn Inc. amalgamated with a wholly-owned subsidiary of the Company and became a wholly-owned subsidiary of the Company. Upon completion of the RTO, the Company changed its name to its current name, Awakn Life Sciences Corp., and consolidated its issued and outstanding common shares on the basis of one post-consolidation common share for every 42.5105 pre-consolidation common shares. Following completion of the RTO, the Company became a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

The common shares of the Company (the "Common Shares") started trading on the Neo Exchange Inc. ("NEO Exchange") on June 21, 2021 under the symbol "AWKN." On August 12, 2021, the Company also started trading on the OTCQB Venture market under the ticker symbol "AWKNF." On August 13, 2021, the Company also started trading on the Borse Frankfurt exchange under the Symbol "954."

The address of the Company's head office is located at 200-366 Bay St., Toronto, Ontario, M5H 4B2.

The Company currently operates in the United Kingdom ("UK"), Ireland and Canada. The Company's corporate organizational chart is presented below:



Description of Business

The Company is a biotechnology company with clinical operations, developing and delivering psychedelic therapeutics (drugs and therapies in combination) to treat Addiction.

While the Company focuses on developing new, more effective therapeutics to treat Addiction, the Company is also a clinic operator allowing for the delivery of treatments in clinics owned and operated by the Company in the UK and EU. The Company's development activities are focused on treating Addiction and the Company's delivery activities are focused on treating Addiction and mental health conditions.

The Company was set up with these separate, but strongly linked, development and delivery functions at its core, for the purposes of making a genuine positive impact on the lives of the individuals, their families, and their communities who suffer with Addiction, at present an insufficiently treated, chronic medical disease involving complex interactions among brain circuits, genetics, the environment, and an individual's life experiences. Those suffering with Addiction often use substances or engage in behaviors that become compulsive and often continue despite harmful consequences.

The Company core functions are:

1. **Development**:

    - **Drug and Therapy Research and Development:** Developing the next generation of New Chemical Entities ("NCE's") and therapies to treat addiction.
    - **Data and Analytics Research:** Developing enabling technologies to improve the efficiency and consistency of Psychedelics in treating Addiction.

2. **Delivery**

    - **Clinics:** Deliver evidence backed psychedelic drug assisted therapies for Addiction **and** other mental health conditions in clinics in the UK and Europe.
    - **Partnerships**: Scale the Company's impact and reach through licensing partnerships beyond the UK and Europe.

Approach to treating Addiction

The Company is addressing Addiction by developing NCE's and therapies. The intention is that the NCE's and therapies are to be delivered on a combined basis.

The Company's NCE's will target multiple receptors and transporters to affect the brain circuits controlling the Addiction behaviour drivers of craving, compulsivity and impulsivity. By focusing on broad circuit mechanisms rather than single isolated receptors, the approach has the potential to work in the treatment of both substance and behavioural Addictions. The disruption is intended to allow individuals to escape from the repetitive addictive behaviours and thoughts, and in doing so engage more effectively with a psychotherapeutic process.

However, the induced disruption by the NCE's alone is often not enough, so the Company is also developing proprietary therapies with the goal to enable clients to understand and address the stressors that contribute to the formation of Addiction. The Company believes there are several stressors that contribute to the formation of an Addiction, these being social, cultural and experienced.

The Company's proprietary therapies intend to help clients learn new more adaptive ways to respond to addictive urges, cravings and the underlying psychological processes that drive them.

This approach of NCE and therapy development is enabled by, and will be accelerated because of, the Company's focus on both development and delivery. The Company will focus on developing proprietary therapies, initially with Ketamine, and will deliver these therapies in its clinics. The clinics will allow the Company to earn revenue while also enabling the Company to test, refine, and update these in therapies based on real world evidence, while also developing a number of NCE candidates in pre-clinical and future clinical stage research.

Development

Drug and Therapy Research and Development:

The Company's research activity is focused on developing the next generation of NCE's and therapies to treat Addiction.

The Company's drug and therapy research and development team consists of world leading experts in the fields of drug development, clinical research, psychiatry, and psychotherapy who are building a pipeline of new therapies and drug candidates (designed to be used in conjunction with psychotherapy). The Company's drug and therapy research and development activities are focused on treating substance and behavioral Addictions.

The Company's drug and therapy research and development and intellectual property portfolio is split into:

1. Short term, which is focused on proprietary therapies that the Company will be able to deliver in clinics on an immediate or near term basis;
2. Medium term, which is focused on receiving marketing authorization of medicines in order to receive exclusivity for delivering; and
3. Long term, which is focused around developing NCE's that will disrupt the brain circuits responsible for the addictive behaviours of compulsivity, craving, and impulsivity and will improve the effectiveness of psychotherapy but will work in shorter treatment windows

Short term focused IP and development projects:

- The Company has acquired an exclusive license to the Phase II ab Ketamine for reduction of Alcoholic Relapse ("KARE") clinical trial, from the University of Exeter. The Company will be delivering the proprietary therapy in its clinics.
- The Company is also conducting a mechanistic study assessing ketamine in gambling addictions.

Medium term focused IP and development projects:

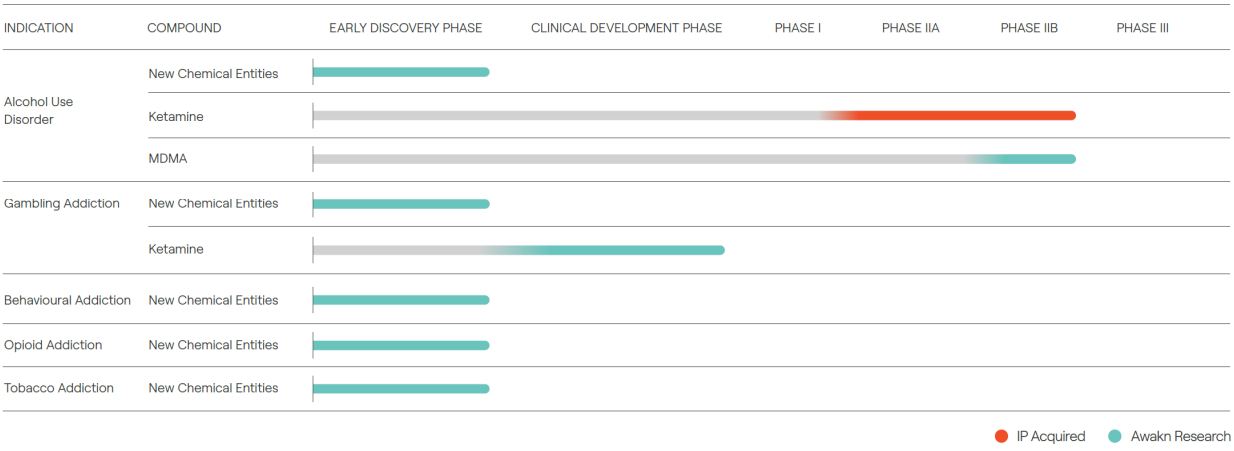
- The Company is focused on progressing Prof David Nutt, Dr Ben Sessa, and Dr Laurie Higbed's Phase IIa Bristol Imperial MDMA in Alcoholism Study ("BIMA"), into a phase IIb study of MDMA assisted psychotherapy for Alcohol Use Disorder, as part of a research program to seek to secure marketing authorization for MDMA to treat Alcohol Use Disorder.

Long term focused IP and development projects:

- The Company acquired five years of proprietary data from Prof. David Nutt's Equasy Enterprises in March, 2021;
- The Company has filed two patents applications for two next-generation novel MDMA-derived new chemical entities, AWKN001 and AWKN002; and
- The Company is also running a hit to lead program with Evotec which includes all activities from production of initial molecules, screening in vitro and in vivo, demonstration of MDMA and ketamine-like pharmacological properties, med chem delivery of analogues, preliminary formulation, evaluation of brain penetration, absorption, distribution, metabolism and excretion ("ADME"), efficacy in vivo, addiction potential and selectivity.

The Company is developing both a pre-clinical and clinical development pipeline of new therapies and drug candidates (designed to be used in conjunction with psychotherapy).

Our drug and therapy development pipeline



Data and Analytics Research:

The Company's Data and Analytics Research activity is focused on developing a suite of enabling technologies to improve the efficiency and consistency of how psychedelic assisted psychotherapy can be delivered across three stages:

- **Data Capture:** GDPR compliant data capture across the Company's research and clinics.
- **Identity Transformation:** Analysis of the mechanism of change in psychedelic-assisted psychotherapy.
- **Advanced Analytics:** Utilize natural language processing to understand behavioural baselines and inform models for predicting behaviour and mental health outcomes.

Delivery

Clinics:

The Company's clinical activity is focused on treating clients suffering with Addiction and other mental conditions like Anxiety, Depression, and PTSD with psychedelic-assisted psychotherapy, starting with Ketamine-Assisted Psychotherapy.

To do this, the Company has designed and is opening the UK's first psychedelic-assisted psychotherapy clinics. The Company plans to open approximately 20 clinics in the UK and EU by the end of 2024.

The Company's clinicians will develop a collaborative, shared understanding of the client's difficulties to establish a therapeutic treatment plan, which includes consideration of the dose ranges and what the client wants and needs from the ketamine experience as well as subsequent integration sessions. This may range from a lower dose in which communication, self-reflection and psychological flexibility are notably improved during the ketamine-assisted psychotherapy session, and a higher dose in which the client has a more intense, powerful, internal experience with integrative therapeutic support following the drug-assisted sessions. These integration sessions are key and help the client understand the experience and instigate real long-standing behavioural change as a result.

Another key differentiation of the Company's approach is to use these insights to treat the cause of the issue, which very often is trauma, rather than trying to treat the symptoms, like traditional Addiction treatment. The Company believes that symptom suppression is not a cure for Addiction, which is why the Company aims to focus on the root of the issue.

The chart below sets out the status and target opening date of each clinic:

Location	Size (Sq Ft)	Status	Target Opening Date (Calendar Quarter)	Number of Treatment Rooms
Bristol	1,384	Construction in progress	Q3 2021	3
London	4,419	Pre-construction in progress	Q4 2021	8

Partnerships:

The Company's partnership activity is focused on scaling the Company's reach beyond its core UK and EU territories through licensing to enable Addiction treatment practitioners in other territories deliver the Company's methodologies.

There are four core elements to the Company's partnership offering:

- **Licensing:** Access to Awakn proprietary Ketamine-Assisted Psychotherapy treatment protocols and therapy manuals, starting with the KARE (Ketamine for reduction of Alcoholic Relapse) treatment program.
- **Training:** Online and in person training for practitioners delivering the KARE (Ketamine for reduction of Alcoholic Relapse) treatment program under license.
- **Advisory:** Quality, safety, risk, and operations advice.
- **Data & Analytics:** Access to the Company's data, analytics, and insights.

COVID-19

COVID-19 is an infectious disease caused by severe acute respiratory syndrome coronavirus 2. Since December 31, 2019, the outbreak of COVID-19 has resulted in governments worldwide, including United Kingdom, the European Union, Canada and the United States, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic 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 the Company.

To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the Company's clinics is suspended or scaled back, or if its supply chains are disrupted, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. To the extent that the Company's management or other personnel are unavailable to work due to the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations, financial conditions and the trading price of the Common Shares.

The Company continues to monitor the current operating environment imposed by the pandemic and will take a proactive approach to addressing challenges and restrictions.

Operational Highlights and Business Developments

Awakn Development

During the periods stated, Awakn had the following operational highlights and business developments related to its Development function:

Highlights of the Financial Year Ended January 31, 2021 and Period Ended April 30, 2021

On March 1, 2021, Awakn Inc. acquired from the University of Exeter an exclusive licence to use and deliver the Ketamine in the Reduction of Alcoholic Relapse psychotherapy intervention, as validated in a Phase II clinical trial led by the University of Exeter. The research will allow Awakn to treat clients with a research backed treatment for AUD.

On March 8, 2021, Awakn Inc. acquired from Equasy Enterprises, a company established and controlled by Professor David Nutt, five years of proprietary research data, to facilitate the identification and development of next generation candidate MDMA and ketamine-like molecules. The data acquired provides significant insights into the basic pharmacological mechanisms of action for MDMA.

On March 8, 2021, Awakn Inc. appointed Professor David Nutt as Head of Research, to pursue new molecular entities based on the research acquired from Equasy Enterprises. Subsequently on June 24, 2021, the Professor David Nutt was appointed the Chief Research Officer of the Company.

On April 27, 2021, Awakn Inc. selected Evotec as its new chemical entity NCE research partner. Evotec activities will include all activities from production of initial molecules, screening in vitro and in vivo, demonstration of MDMA and ketamine-like pharmacological properties, med chem delivery of analogues, preliminary formulation, evaluation of brain penetration, absorption, distribution, metabolism and excretion ("ADME"), efficacy in vivo, addiction potential and selectivity. These activities are expected to be completed in the second calendar quarter of 2022. To deliver clinical

candidates, additional activities will include full Clinical Trial Application enabling studies including process development, formulation and Good Laboratory Practice production to facilitate toxicological evaluation, inter-batch comparison, stability analysis, Chemistry Manufacturing Control assay development and formulation, targeted to be completed in late calendar 2023.

Highlights to the Current Period Ended July 31, 2021

On June 28, 2021, the Company announced the filing of patent applications in the United States for two next-generation novel MDMA-derived new chemical entities, AWKN001 and AWKN002, further strengthening the Company's intellectual property portfolio and pipeline for the treatment of a broad range of addictions, including, but not limited to alcohol, opioid and behavioural, such as gambling.

On July 7, 2021, the Company reorganized its existing scientific advisory board by dividing it into two separate preclinical and clinical expert advisory boards to be chaired by Professor David Nutt, the Chief Research Officer of the Company. The Preclinical Advisory Board, which will focus on the R&D, will be Dr. Shaun McNulty, the Chief Scientific Officer of the Company, and newly appointed Professor Stephen Husbands (Professor of Medicinal Chemistry in the Department of Pharmacy and Pharmacology at the University of Bath), Professor Harriet de Wit (Professor and Director of the Human Behavioral Pharmacology Laboratory, Department of Psychiatry at the University of Chicago) and Professor Kevin Fone (Professor of Neuroscience at the University of Nottingham).

On July 14, 2021, the Company announced that it will undertake a program of clinical research designed to demonstrate the effectiveness of ketamine-assisted psychotherapy against multiple addictions, initially focusing on treating AUD and gambling addiction. The program will consist of, amongst other activities, a late-stage clinical trial focused on AUD, a mechanistic study focused on gambling addiction and intellectual property development activities. The program was designed and will be led by Professor Celia Morgan, Professor of Psychopharmacology at the University of Exeter, U.K., an internationally respected expert in the therapeutic use of ketamine and the Company's Head of Ketamine-Assisted Psychotherapy for Addiction.

Awakn Delivery

During the periods stated, Awakn had the following operational highlights and business developments related to its Delivery function:

Highlights to the Financial Year Ended January 31, 2021 and Period Ended April 30, 2021

On September 2, 2020, the Company signed a lease for its first clinic (the "Bristol Clinic"), which is located at 1 Regent Street, Bristol, BS8 4HW, United Kingdom.

Highlights to the Current Period Ended July 31, 2021

On July 7, 2021, the Company reorganized its existing scientific advisory board by dividing it into two separate preclinical and clinical expert advisory boards to be chaired by Professor David Nutt, the Chief Research Officer of the Company. The Clinical Advisory Board now consists of Dr. Benjamin Sessa (Awakn Chief Medical Officer), Professor Celia Morgan (Professor of Psychopharmacology at the University of Exeter and Awakn's Head of Ketamine-Assisted Psychotherapy for Addiction), Ann Mithoefer (Multidisciplinary Association for Psychedelic Studies ("MAPS")), Dr. Michael Mithoefer (MAPS) and Professor Matt Johnson (Professor of Psychiatry and Behavioural Sciences at John Hopkins), all of whom were members of the scientific advisory board of the Company prior to its reorganization.

On July 22, 2021, the Company appointed Professor Barbara Mason (Director of the Pearson Center for Alcoholism and Addiction Research, Director of the Laboratory of Clinical Psychopharmacology, and the Pearson Family Professor in the Department of Molecular Medicine at the Scripps Research Institute, La Jolla, CA) to its clinical advisory board.

On August 4, 2021, the Company signed a 10-year lease to open Awakn Clinics London, a psychedelic-focused therapy center to treat addition and other mental health conditions. Awakn Clinics London is expected to be approximately 4,419 square-feet and will host eight treatment rooms. The new location will deliver ketamine-assisted psychotherapy in the

near term and will utilize MDMA therapies as and when marketing and regulatory authorization is granted. The Company has partnered with Onefine_Day, specialists in designing places that deliver meaningful outcomes and better connections for a brand's audience, creating places, not spaces. Awakn Clinics London will be designed to offer a warm and welcoming experience to demonstrate first-hand how psychedelics can transform the lives of clients. Following a client-centered design approach, the clinic space will showcase an evidence-based environmental design focused on client wellbeing and supports the right context for effective treatment. The clinic is expected to complete renovations and design by October of 2021 with the grand opening expected sometime during the fourth quarter of 2021. The clinic is located on Duke's Road, near the UCL Hospital and the British Medical Association.

Awakn Corporate

On May 13, 2021, the Company and Awakn Inc. entered into the definitive binding agreement relating to the RTO.

On June 8, 2021, Awakn Inc. completed, as a condition of the RTO, a private placement of 3,320,220 subscription receipts ("Subscription Receipts") at a price of $2.50 per Subscription Receipt for aggregate gross proceeds of $8,300,550, which proceeds were held in escrow and released upon completion of the RTO on June 16, 2021. In addition, upon completion of the RTO, each Subscription Receipt was converted into one Common Share for an aggregate of 3,320,220 Common Shares.

June 11, 2021, each of the Company and Awakn Inc. obtained the applicable shareholder approvals relating to the RTO.

June 16, 2021, the Company and Awakn Inc. completed the RTO and received the approval of the NEO Exchange for the listing of the Common Shares on the Neo Exchange.

June 23, 2021, the Common Shares began trading on the Neo Exchange under the symbol "AWKN".

On July 26, 2021, the Company commenced trading on the OTC Market in the United States under the symbol "AWKNF". Subsequently on August 12, 2021, the Company became qualified to trade on the OTCQB® Venture Market ("OTCQB"). Subsequently on September 1, 2021, the Company obtained DTC Eligibility for shares to be electronically cleared and settled in the United States.

Regulatory Framework

The Company's AIF sets forth a discussion on the regulatory framework under which the Company operates. Changes to the regulatory framework may result in the Company's future results to differ materially from those described in this MD&A. The Company's business, financial condition, results of operations and cash flows, and consequently the price of the Shares, could be materially and adversely affected as a result of changes to the regulatory framework. See "Regulatory Framework" in the AIF for details.

Milestones and Business Objectives

The following milestones are "forward-looking statements" and as such, there is no guarantee that such milestones will be achieved on the timelines indicated or at all. Forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions. See "Forward-Looking Statements" and "Risk Factors".

Milestone	**Target Date** (Calendar Quarter)	**Status**
Ethical approval and begin enrollment for mechanistic study of ketamine in Gambling Addiction	Q3 2021	Completed
Phase II ab KARE: Ketamine for reduction of Alcoholic Relapse, acquired under license from University of Exeter publication	Q4 2021	In Progress
New Chemical Entity drug development: predict potential novel structures and identify new molecular series. In vitro screening against proprietary target completed	Q4 2021	In Progress(1)
Open Awakn Medical Psychedelic-Assisted Psychotherapy Clinic in Bristol, United Kingdom	Q4 2021	In Progress
Initiate advanced data analytics study of mechanism of change in Ketamine-Assisted Psychotherapy	Q4 2021	Not Started
Open Awakn Medical Psychedelic-Assisted Psychotherapy Clinic in London, United Kingdom	Q4 2021	In Progress(2)
MDMA-Assisted Psychotherapy Phase IIb: MHRA ethics committee approval	Q1 2022	In Progress(3)
New Chemical Entity drug development: Deliver data on selected compounds via in vivo proof of concept study.	Q1 2022	In Progress
Open Awakn Medical Psychedelic-Assisted Psychotherapy Clinic in Manchester, United Kingdom	Q1 2022	In Progress
MDMA-Assisted Psychotherapy Phase IIb: First Time In Human ("FTIH")	Q2 2022	Not started(4)
MDMA-Assisted Psychotherapy Phase IIb: establish clinical pathway to marketing authorization	Q2 2022	Not started
Open Awakn Medical Psychedelic-Assisted Psychotherapy Clinic in Dublin, Ireland, European Union	Q2 2022	Not started
Open additional Awakn Medical Psychedelic-Assisted Psychotherapy Clinic in London, United Kingdom	Q2 2022	Not started

(1) The Company has engaged Evotec to a two stage pre-clinical drug discovery program developing the next generation psychedelic medicines to treat Addiction, with the first stage due to be completed and reported in early Q4 2021, originally targeted for Q3, 2021.

(2) Lease for London has been executed subsequent to period end.

(3) Ethics committee approval from the MHRA has been shifted from Q3, 2021 to Q1, 2022, due to delays in meetings with the MHRA.

(4) The timing of FTIH has been shifted from Q4 2021 to Q2, 2022 due to the projected delays in the ethics committee approval.

Factors Affecting the Company's Performance

The Company's performance and future success depends on a number of factors. These factors are also subject to a number of inherent risks and challenges, some of which are discussed below. See "Forward-Looking Statements" and "Risk Factors" elsewhere in the Company's MD&A.

Results of Operations

Operating Expenses

Components of operating expenses for the three and six months ended July 31, 2021 were as follows:

	Three months ended July 31, 2021	Three months ended July 31, 2020	Six months ended July 31, 2021	Period from Incorporation to July 31, 2020
	($)	($)	($)	($)
Research and development	612,273	-	840,031	-
General and administration	735,393	38,065	1,253,312	38,065
Sales and marketing	212,839	7,787	311,673	7,787
Stock-based compensation	169,386	6,938	510,251	6,938
Depreciation and amortization	13,328	-	21,247	-

Research and development costs of $612,273 and $840,031, for the three and six months ended July 31, 2021, respectively, were largely related to the NCE development program with Evotec, preparation of the phase IIb study for MDMA to treat AUD, ongoing ketamine research, and costs associated with Company's research team. This was a significant increase compared to the same periods for the prior year, as the Company had not yet incurred costs related to is research programs during the prior year.

General and administrative expenses are provided in additional detail below:

	Three months ended July 31, 2021	Three months ended July 31, 2020	Six months ended July 31, 2021	Period from Incorporation to July 31, 2020
	($)	($)	($)	($)
Personnel costs	357,134	6,044	641,277	6,044
Professional fees	270,649	25,541	455,340	25,541
Office and general	107,610	6,480	156,695	6,480
Total	735,393	38,065	1,253,312	38,065

For the quarter ended, the largest component of the general and administrative costs related to personnel costs of $357,134 compared with $6,044 for the same period in the prior year. The current year costs represent amounts paid for the UK operations and clinical teams, as well as officers of the Company. The prior year costs were lower at $6,044 as the Company was in a startup phase. Professional fees of $270,649 largely consist of investor relations fees, legal fees, audit fees, recruitment fees and other services consulting services.

Sales and marketing costs of $212,839 and $311,673, for the three and six months ended July 31, 2021, respectively, related to certain PR, media and branding costs incurred as the Company looked to introduce its future clinics to the UK market, and also completed its go-public transaction under which it is looking generate investor awareness. This was a significant increase compared to the same periods in the prior year, as the Company had limited operations during the prior year.

Stock-based compensation costs of $169,386 and $510,251 for the three and six months ended July 31, 2021, respectively, related to stock options vested during the periods, and the associated expense recorded based on the fair value using a Black Scholes Option Pricing Model. This was a significant increase compared to the same periods in the prior year, as the Company had limited operations during the prior year.

Other expense (income)

Components of other expense (income) for the three and six months ended July 31, 2021 were as follows:

	Three months ended July 31, 2021	Three months ended July 31, 2020	Six months ended July 31, 2021	Period from Incorporation to July 31, 2020
	($)	($)	($)	($)
Other income	(4,128)	-	(4,128)	-
Finance costs	45,120	-	85,167	-
Change in fair value of derivative liabilities	5,165,089	-	5,082,558	-
Transaction costs	-	455,105	118,894	455,105
Listing expenses	959,467	-	959,467	-
Foreign exchange loss	1,425	1,714	7,469	1,714
Total	6,166,973	456,819	6,249,427	456,819

During the three and six months ended July 31, 2021, the change in fair value of derivative liabilities of $5,165,089 and $5,082,558, respectively, were recorded related to the re-measurement and conversion of the convertible debentures that took place immediately prior to the completion of RTO. These costs were not incurred in the prior year, as there were no convertible debentures or derivative liabilities during the prior year.

During the three and six months ended July 31, 2021, transaction costs of $Nil and $118,894, respectively, were incurred. The $118,894, largely related to the costs incurred in conjunction with the convertible debenture financing. In the same periods in the prior year, the company incurred $455,105 and $455,105, respectively, of transaction cost, which were all related to the acquisition of Awakn Bristol.

In addition, the Company also incurred listing expenses of $959,547 in connection with the RTO. The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of RTO:

Common shares (199,968 common shares at $2.50 per share)	$	499,920
Total consideration		499,920
Identifiable net assets acquired - Accounts payable and accrued liabilities		(34,344)
Listing expenses		**534,264**

In connection with the RTO, the Company incurred other listing costs of $425,203.

Summary of Quarterly Results

The following table sets out selected quarterly information for the previous six quarters of Awakn up to July 31, 2021.

	Three months ended July 31, 2021	Three months ended April 30, 2021
	($)	($)
Revenue	-	-
Net Loss attributable to shareholders	(7,799,878)	(1,161,873)
Net Loss per share attributable to shareholders – basic and diluted	(0.37)	(0.07)
Total assets	9,944,697	4,012,502
Working capital	8,590,769	3,198,279
Long-term liabilities	89,529	3,825,664
Cash dividends declared	Nil	Nil

	Three months ended January 31, 2021	Three months ended October 31, 2020	Three months ended July 31, 2020	Period from Incorporation to April 30, 2020
	($)	($)	($)	($)
Revenue	-	-	-	-
Net Loss attributable to shareholders	(349,650)	(100,099)	(494,565)	-
Net Loss per share attributable to shareholders – basic and diluted	(0.02)	(0.01)	(0.06)	-
Total assets	825,488	403,746	140,157	-
Working capital	234,945	97,452	76,915	-
Long-term liabilities	118,434	123,994	-	-
Cash dividends declared	Nil	Nil	Nil	Nil

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the three months ended July 31, 2021 was $7,909,878, of which $109,870 was allocated towards a non-controlling interest. The loss was primarily due to (i) the conversion of the convertible debentures which triggered other expenses of $5,165,089 from the fair value adjustment of the derivative liabilities; (ii) general and administrative expenses of $740,393; (iii) research and development costs of $612,273; and (iv) listing expenses of $954,547 related to the RTO.

Liquidity and Capital Resources

The Company's total cash balance as at July 31, 2021 was $8,791,590 (January 31, 2021 - $366,065) and a total working capital of $8,590,769 (January 31, 2021 - $234,945). The Company expects to be able to meet its on-going obligations primarily through capital raises and the issuance of equity until such time that revenue can be generated through its clinical operations. To date, the Company has been able to raise capital through private placements that will fund the Company's planned growth and development activities. As at July 31, 2021, the Company has no long term debt obligations, except leases, with working capital liabilities limited to trade payables and lease liabilities for the Bristol Clinic.

On March 19, 2021, Awakn Inc. completed a non-brokered private placement raising gross proceeds of $4,000,000 of convertible debenture units, which were subsequently converted into common shares. On June 8, 2021, Awakn Inc. completed a subscription receipt private placement raising aggregate gross proceeds of $8,300,500. The issuance of the convertible debenture units and the private placement significantly enhanced the Company's working capital, and will be used towards the ongoing operations of the business.

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to provide adequate returns for shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets.

At July 31, 2021, the Company had not yet achieved profitable operations, has accumulated losses since its inception and expects to incur further losses in the development of its business, all of which cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has been successful in raising funds, therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern, however there is no certainty this will occur in the future at terms acceptable to the Company.

The following table shows the Company's cash flows from operating investing and financing activities for the six months ended July 31, 2021 as compared to the period from April 27, 2020 (date of incorporation) to July 31, 2020.

	Six months ended July 31, 2021	Period from Incorporation to July 31, 2020
	($)	($)
Cash used in operating activities	(2,844,467)	(6,484)
Cash used in investing activities	(108,009)	(14,834)
Cash from financing activities	11,385,303	136,000

Cash used in operating activities

During the six months ended July 31, 2021, cash used in operating activities of $2,844,467 was primarily due to the Company's focus on the Company's initial research programs, setting up the Company's initial operations for the clinic, and other working capital items. The Company expects improvements to the operating cash flow when the Company commences the provision of services upon opening of its clinics.

Cash used in investing activities

During the six months ended July 31, 2021, cash used in investing activities of $108,009 consisted primarily of acquisition of property and equipment, largely related to leasehold improvements for its first clinic in Bristol.

Cash from financing activities

During the six months ended July 31, 2021, cash from financing activities of $11,385,303 was primarily due to proceeds from the issuance of Subscription Receipts as part of the private placement in connection to the RTO of $7,487,912 and proceeds from the issuance of convertible debentures of $3,856,141, each net of transactions costs.

Contractual obligations and commitments

As at July 31, 2021 the payments due by period are set out in the following tables:

	Total ($)	< 1 year ($)	1 – 3 years ($)	4 – 5 years ($)	After 5 years ($)
Accounts payable and accrued liabilities	800,676	800,676	Nil	Nil	Nil
Finance lease obligations	216,441	54,110	108,220	54,110	Nil
Purchase obligations	Nil	Nil	Nil	Nil	Nil
Other obligations	Nil	Nil	Nil	Nil	Nil
Total contractual obligations	**1,017,116**	**854,786**	**108,220**	**67,638**	**Nil**

Subsequent to period end, the Company signed a lease for its London Clinic, which has not been included in the table above.

Outstanding share data

The Company's authorized share capital consists of an unlimited number of Common Shares without par value and unlimited number of preferred shares without par value. As at the date thereof, please see the table below for information regarding outstanding share capital of the Company.

Common Shares	24,491,474
Options	1,780,000
Warrants	1,978,618
Fully diluted share capital	**28,250,092**

The objective of the Company is to generate a return on investment to shareholders through capital appreciation. The Company intends to reinvest future earnings, if any, into operations to finance expansion of the business and does not intend to pay dividends in the foreseeable future.

Off-Balance Sheet Arrangements

Pursuant to the purchase agreement entered into with Equasy Enterprises Ltd for the purchase of the certain IP assets, the Company agreed to issue Equasy Enterprises Ltd up to 330,000 shares upon the successful completion of certain development and regulatory milestones.

Related Party Transactions

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. During the period from April 27, 2020 (date of incorporation) to July 31, 2021, the Company had the following related party transactions:

(a) On July 9, 2020, the Company acquired a controlling interest in Bristol from Dr. Sessa, a director and officer of the Company for cash proceeds of £325,000 (equivalent to $561,687) and issued 3,000,000 common shares of the Company with a fair value of $60,000 at $0.02 per share to Dr. Sessa.

(b) Key management includes directors and officers of the Company. Compensation awarded to key management was comprised of the following for the periods:

	Three months ended July 31, 2021	Three months ended July 31, 2020	Six endeds monthed July 31, 2021	Period from April 27, 2020 (incorporation date) July 31, 2020
Short-term compensations	$ 254,498	$ -	$ 476,400	$ -
Share-based payments	53,688	-	352,845	-
Total	**$ 308,186**	**$ -**	**$ 829,245**	**$ -**

(c) As at July 31, 2021, $Nil (January 31, 2021 - $11,080) was due from a director, which was included in other receivables on the condensed consolidated interim statements of financial position. The balance was an unsecured, interest-free loan made to a director of the Company on July 9, 2020 and it was repaid during the period.

(d) As at July 31, 2021, a balance of $51,439 (January 31, 2021 - $31,497) was due to related parties, which was included in accounts payable and accrued liabilities on the condensed consolidated interim statements of financial position. The balance was non-interest bearing, unsecured and repayable on demand.

Critical Accounting Estimates and Judgements

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management has applied significant estimates and assumptions related to the following:

Leases – Estimating the incremental borrowing rate and renewals

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow a similar amount at a similar term with a similar security. The Company estimates the IBR using observable inputs (such as

market interest rates) when available and is required to make certain entity-specific estimates. The Company also makes certain assumptions whether it expects to exercise any renewal options on the leases.

Fair value of share-based payments, warrants, and derivative financial instruments

Management uses the Black-Scholes option-pricing model to calculate the fair value of share-based payments, warrants and any identified derivative liabilities, including the conversion feature and any embedded warrants that do not meet the "fixed for fixed" criteria. Management considers factors that knowledgeable, willing market participants would consider when selecting the appropriate valuation model to apply. Use of this method requires management to make assumptions and estimates about the share price on the measurement date, expected useful life of the instruments, expected dividends, the risk free rate (based on government bonds), the expected volatility of the Company's share price (based on weighted average historical volatility of comparable companies adjusted for changes expected due to publicly available information) and the probabilities of certain events occurring. In making these assumptions and estimates, management relies on historical market data. The inputs to the model are subject to estimate and changes in these inputs can materially impact the estimated fair value of these instruments. The fair value reported may not represent the transaction value if these options/warrants/derivatives were exercised/exchanged at any point in time.

Depreciation of property and equipment and amortization intangible assets

Judgment is applied to determine an asset's useful life, and where applicable, estimated residual value, used in the computation of depreciation and amortization. Accordingly, an asset's actual useful life and estimated residual value may differ significantly from these estimates.

Standards issued but not yet effective

IAS 1 Classification of Liabilities as Current or Non-Current

In January 2021, the International Accounting Standards Board ("IASB") issued a narrow scope amendment to IAS 1 – Classification of Liabilities as Current or Non-Current, which affects only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendment clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduces a definition of settlement to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued an amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendment introduces the definition of an accounting estimate and sets criteria to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendment is effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

Financial Instruments

Fair Value of Financial Instruments

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One; and
- Level Three includes inputs that are not based on observable market data.

As at July 31, 2021, both the carrying and fair value amounts of all the Company's financial instruments are approximately equivalent due to their short-term nature. During the period ended July 31, 2021, level three inputs were used to determine the fair values of the convertible debentures and derivative liabilities. All convertible debentures and derivative liabilities were either converted or extinguished as at July 31, 2021.

Risk Management

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and other receivables. Management believes credit risk with respect to its financial instruments is minimal. The Company's maximum exposure to credit risk as at July 31, 2021 is the carrying value of cash and other receivables. Credit risk on cash is mitigated as it is held in a Tier 1 financial institution or the Company's trust account. Other receivables consist primarily of government remittances recoverable and as such are at a low risk of default.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. All of the Company's financial liabilities as at July 31, 2021 are due within 12 months, with the exception of long-term lease liabilities the maturity payment of which are disclosed in note 7 of the condensed consolidated interim financial statements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and specifically to foreign currency risk.

Foreign currency risk

The Company holds cash denominated in multiple currencies. The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of settlement of their trade and other liability balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Below is a list of all non-Canadian financial instruments in their base currency:

	July 31, 2021 $	January 31, 2021 $
Cash - British Pounds	197,256	92,127
Cash - Euro	285	37
Cash - US Dollars	18,581	110,556
Other receivables - British Pounds	-	6,319
Accounts payable and accrued liabilities - British Pounds	(216,973)	(48,347)
Accounts payable and accrued liabilities - Euro	(33,100)	(31,075)
Accounts payable and accrued liabilities - US Dollars	(27,000)	(22,450)

An increase or decrease of 10% change in the exchange rates would impact net loss by approximately $9,321 for the period ended July 31, 2021.

Risk Factors

The Company's AIF sets forth material risks and uncertainties that may affect the Company's business that could cause the Company's future results to differ materially from those described in this MD&A. The risks and uncertainties described in the AIF are those the Company currently believes to be material, but they are not the only ones the Company faces. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that it currently considers not to be material, actually occur or become material risks, the Company's business, financial condition, results of operations and cash flows, and consequently the price of the Shares, could be materially and adversely affected. See "Risk Factors" in the AIF for details.