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

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JANUARY 31, 2022

(Express in Canadian Dollars, unless otherwise noted)

Management's Discussion and Analysis

General

The following Management Discussion and Analysis (the "**MD&A**") of the consolidated financial position and results of operations for Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.) ("Awakn", the "Company", "we" or "us") is prepared as at April 28, 2022, and is for the year ended January 31, 2022. It is supplemental to, and should be read in conjunction with the Company's consolidated financial statements for the years ended January 31, 2022 and 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 consolidated 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 April 28, 2022.

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 that is currently available and on 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 Annual Information Form (the "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:

- expectations regarding the Company's ability to raise capital;
- the impact of the COVID-19 pandemic;
- 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, MDMA or NCE's as effective treatment for AUD and other mental health conditions;
- 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;
- potential timelines related to clinical trials, other milestones, and associated results;
- controlled substances laws;
- reliance on third parties;
- liquidity of the Common Shares;
- anticipated developments in the operations of the Company;
- currency fluctuations;
- estimated budgets of the Company;
- the healthcare industry in the United Kingdom, the European Union and other European countries;
- the ability of the company to attract patients and receive referrals;
- 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 clinical expansion; and
- the ability of new clinics to offer ketamine-assisted psychotherapy psychedelic-assisted psychotherapy, and other services.

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 risks and other factors, see Awakn's AIF dated April 28, 2022 under the heading "Risk Factors", or otherwise disclosed in the public filings made with applicable security regulators and available at www.sedar.com.

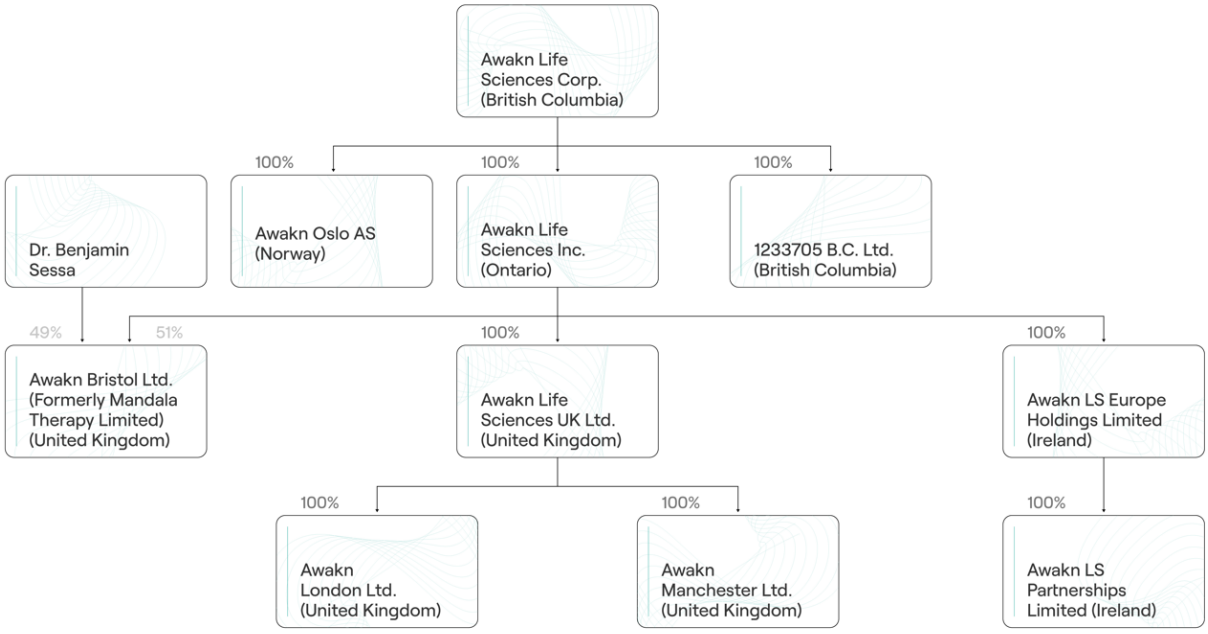
Corporate Structure

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. pursuant to which Awakn Inc. amalgamated with a wholly-owned subsidiary of the Company. Upon completion of the RTO, the Company changed its name to 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 Boerse Frankfurt exchange under the Symbol "954."

The address of the Company's head office is located at 301-217 Queen St. West, Toronto, ON, M5V 0R2.

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



Description of Business

The Company is a biotechnology company researching, developing and delivering therapeutics (medicines and therapies) to treat addiction.

While the core purpose of the Company is researching and developing new, more effective therapeutics to treat addiction, the Company also owns and operates a limited number of clinics allowing for the delivery of treatments by the Company in the UK, the EU and other European countries, enabling it to generate and gather real world evidence (RWE) to support future marketing authorization and regulatory approval applications for its therapeutics and also to test and validate develop and test the delivery model for its therapeutics prior to commercializing to third parties.

The Company was set up with these separate, but linked, research and development and delivery functions, 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 a poorly 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's core functions are:

1. **Research and Development**:

    - **Drug and Therapy Research and Development:** Developing the next generation of New Chemical Entities ("NCE's") and therapies to treat addiction, as well as pursuing continued research related to Ketamine and MDMA assisted therapies to treat addiction.
    - **Data and Analytics Research:** Data and analytics research to improve the efficiency and consistency of Psychedelics in treating addiction.

2. **Delivery**

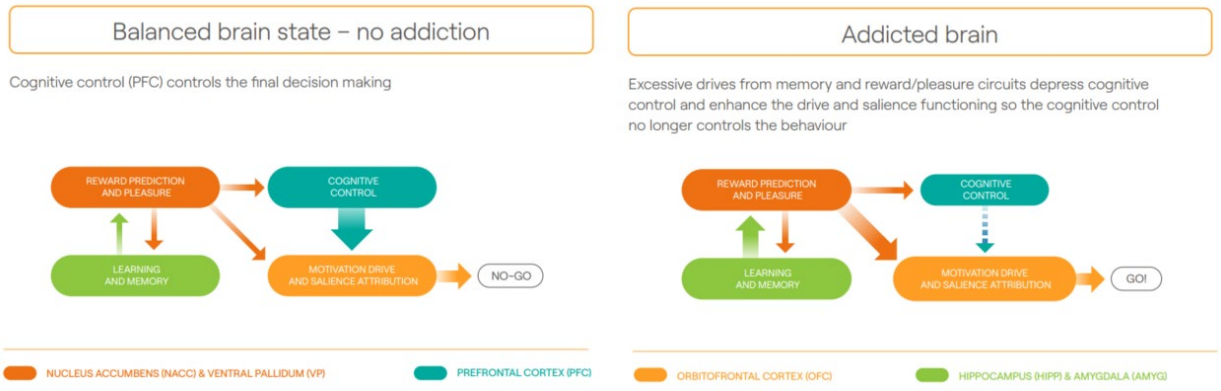
    - **Clinics:** Delivering evidence backed psychedelic drug assisted therapies for addiction and other mental health conditions in clinics in the UK, EU and other European Countries.
    - **Therapeutics Commercialization**: Commercializing the Company's therapeutics starting with licensing the Company's proprietary Ketamine-Assisted Therapy for the treatment of Alcohol Use Disorder (AUD) to addiction treatment centres in territories where the Company does not operate clinics.

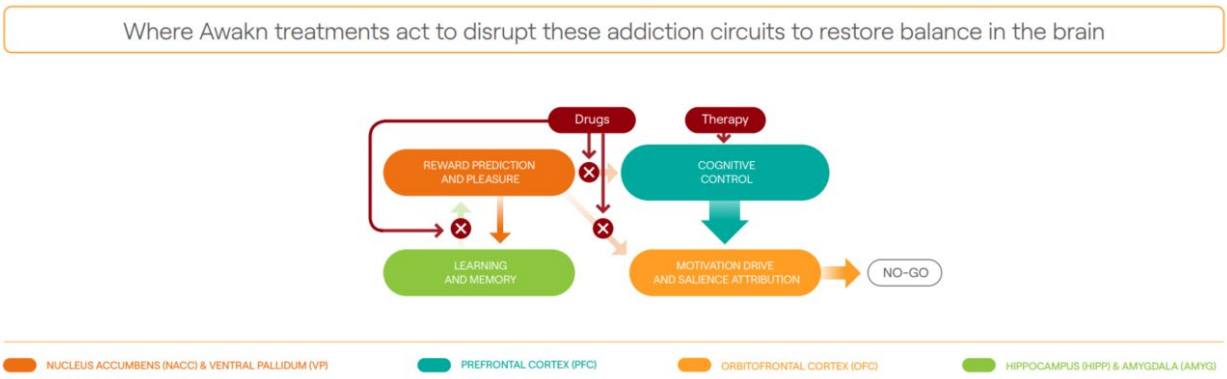
Approach to treating addiction

The Company is addressing addiction by developing proprietary therapeutics (drugs and therapies to be used in combination) to treat addiction.

The Company's therapeutics are focused on the brain circuits that drive addiction, multiple receptors rather than the traditional single drug receptor targets. This focus on circuit mechanisms rather than individual receptors, enables the Company to develop treatments for both substance and behavioural addictions.

The medicines that the Company is researching, developing, and delivering disrupt the connections within and between certain brain circuits. The disruption is intended to allow individuals to escape from the repetitive addictive behaviours and thoughts. However, this induced disruption alone is often not enough to enable lasting positive change, so the Company is also researching, developing and delivering proprietary therapies, which work in conjunction with the medicines to enable patients to regain control over their lives and help to learn new more adaptive ways to respond to addictive urges, cravings and the underlying psychological processes that drive them.





The Company's therapeutics research and development program has three core work streams: Ketamine, MDMA, and NCE's. Execution of this program will be accelerated because of the Company's focus on both research and development, and delivery, because the Company will test and validate its therapies based on real world evidence in addition to clinical trial evidence.

Research and Development activities:

Therapeutics (medicine and therapy) Research and Development:

The Company's therapeutics research and development team consists of world leading experts in the fields of drug development, clinical research, psychiatry, and psychotherapy who are building the next generation pipeline of new medicines and therapies, which are focused on treating substance and behavioural 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 obtaining marketing authorization of medicines in order to receive exclusivity; and
3. Long term, which is focused on 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 results, from the University of Exeter. The Company is delivering the proprietary therapy in its clinics.
- The Company has signed a Memorandum of Understanding with the National Healthcare Service ("NHS") in the United Kingdom and the University of Exeter to assess options for bringing the KARE phase II a/b trial forward into phase III.
- The Company is also conducting a mechanistic study assessing ketamine in gambling and other behavioural addictions.

Medium term focused IP and development projects:

- The Company has acquired the team and the data from Prof David Nutt, Dr Ben Sessa, and Dr Laurie Higbed's Phase IIa Bristol Imperial MDMA in Alcoholism Study ("BIMA"). The Company is now focused on bringing that research forward into a phase IIb study of MDMA-assisted therapy 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 is developing the next generation of medicines to better treat addiction.
- The Company acquired five years of know-how and research data from Prof. David Nutt's Equasy Enterprises Ltd ("Equasy Enterprises"), as defined herein, in March, 2021. In this acquisition the Company acquired two key assets:
    - Details of potentially newly discovered modes of action for MDMA
    - Details of potentially faster acting entactogen like compounds
- The Company initiated a drug discovery project with Evotec A.G. ("Evotec") in June 2021, which includes all activities from identification and production of initial molecules, screening in vitro and in vivo, demonstration of MDMA -like pharmacological properties, med chem delivery of analogues, preliminary formulation, evaluation of brain penetration, absorption, distribution, metabolism and excretion ("ADME"), efficacy in vivo, and selectivity.

- The Company has filed four patent applications for next-generation novel MDMA-derived new chemical entities;

Development Pipeline:

Delivery

Clinics:

The Company currently owns and operates three clinics in the UK and Norway and targets to have approximately 20 clinics opened in the UK, the EU and other European countries by the end of 2024. The Company's clinical activity is focused on treating clients who are in need of assistance with addiction and other mental conditions including Anxiety, Depression, and PTSD, with psychedelic-assisted psychotherapy, starting with Ketamine-Assisted Psychotherapy while focusing on:

- Providing the latest evidence backed therapeutics to treat addiction and mental health.
- Developing and fine tuning the business and delivery model for therapeutics developed in the Company's R&D business unit.
- Generating and gathering real world evidence to support the Company's regulatory approval applications.
- Generating revenue.

The Company's clinicians work collaboratively with clients to understand their difficulties, expectations and objectives, to formulate a treatment plan that is tailored to each client. Dose ranges vary from lower doses in which self-reflection and psychological flexibility are notably improved, and a higher dose in which the client has a more intense, internal experience with integrative therapeutic support following the drug-assisted sessions. Integration sessions are targeted to occur at the point of peak neuroplasticity following a drug-assisted session, and provide an opportunity for a client to process their experience, explore insights and lay the foundation for functional change in their lives.

Another key differentiation of the Company's approach is to target the underlying cause of the client's presenting issue, which is often trauma, rather than traditional addiction treatment approaches, which focus on treating the symptoms. The Company believes that symptom suppression is not a cure, 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, UK	1,384	Open[(1)]	-	3
Oslo, Norway	1,528	Open[(2)]	-	2
London, UK	4,419	Open[(3)]	-	8
Other	TBD[(4)]	TBD	TBD	TBD

(1) Received CQC and Schedule 2 Licensing in October 2021, patient intake started in November, 2021.
(2) Acquired on October 4, 2021
(3) Received CQC and Schedule 2 Licensing in March 2022, patient intake started in April, 2022.
(4) The Company is carefully assessing the optimal locations for strategic expansion of clinics.

Therapeutics Commercialization:

The Company's therapeutics commercialization activity is focused on commercializing the Company's therapeutics beyond the Company's clinics. Starting with licensing the Company's proprietary Ketamine-Assisted Therapy for the treatment of Alcohol Use Disorder (AUD) to addiction treatment centers in territories where the Company does not operate clinics.

The 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.
- **Design:** Assistance with optimizing the design of the physical environment where the therapy takes place.

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 and other strains ("COVID-19"), has resulted in governments worldwide, including United Kingdom, European Union and other European countries, 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 contract research organizations or 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 Research and 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 October 31, 2021

On March 1, 2021, Awakn Inc. acquired from the University of Exeter, an exclusive license 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 and potential licensing partners 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 previously unknown modes 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, Professor David Nutt was appointed as 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 first calendar quarter of 2022 delivering lead series' from which a specific preclinical development candidate will be established. 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 early calendar 2024.

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, 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 addictions, 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.

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 September 23, 2021, the Company announced that it has acquired the exclusive rights to the data from the phase IIa Bristol Imperial MDMA in Alcoholism Study ("BIMA") from Imperial College London. BIMA is an open-label safety, tolerability and proof-of-concept study to investigate the role of MDMA Assisted Psychotherapy in treating patients with alcohol use disorder ("AUD"). BIMA was the first published study assessing MDMA-Assisted Psychotherapy as a treatment for addiction. The results, which were published in February 2021, indicated that MDMA has the potential to be more effective at treating AUD, with a 20% relapse rate within the first nine months, compared to 75% relapse rate with traditional treatments. The Company believes that this data will assist the Company's progress by enabling a better design and more efficient execution of its clinical program. The Company will now be able to accelerate its clinical research into a phase IIb randomized controlled trial ("RCT") in the U.K.

On October 28, 2021, the Company announced the success of phase one of its new chemical entity development program with Evotec, to strengthen the Company's pipeline for the treatment of a broad range of both substance and behavioral addictions. Using AI and CADD approaches, novel MDMA-like new-chemical-entities chemical series' have been identified. Multiple compounds have been tested in vitro, demonstrating drug-like properties including key components of our target product profile. In total seven chemical series have been identified and three leading compounds have been taken into in vivo efficacy analysis. Two chemical series will be utilized in additional phases of preclinical drug discovery that constitute lead optimization. The data generated will be used to support patent applications and to facilitate the development of preclinical development candidates for clinical development.

Highlights to the Current Period Ended January 31, 2022

On November 16, 2021, the Company signed a memorandum of understanding with Devon Partnership NHS Trust ("NHS") and the University of Exeter creating a collaboration (the "NHS Collaboration") with a view of increasing access to psychedelic-assisted psychotherapy in the UK, with a focus on bringing the Phase II A/B Ketamine-Assisted Therapy for Treatment of Alcohol Use Disorder ("KARE") clinical trial into phase III. The NHS Collaboration establishes a framework and strategic relationship to assess NHS' organizational readiness for ketamine-assisted psychotherapy. The NHS Collaboration will investigate how to enhance the evidence base for ketamine-assisted psychotherapy as an alternative treatment for AUD and treatment-resistant depression within the NHS. The NHS Collaboration will also assess how best to accelerate the on-label use of ketamine-assisted psychotherapy to treat AUD at scale.

On January 5, 2022, the Company announced the expansion of its study of Ketamine for gambling disorder to also include three other behavioral addictions including Binge Eating Disorder, Compulsive Sexual Behavior and Internet Gaming Disorder. The study will be led by Prof. Celia Morgan, the Company's Head of Ketamine Assisted Therapy for Addiction and Professor of Psychopharmacology at the University of Exeter. Prof. Morgan's work will investigate a new treatment approach for these behavioral addictions, trying to harness a window in which the brain is able to make new connections. The study will explore and monitor whether the ketamine can increase neuroplasticity using electroencephalogram.

On January 11, 2022, the Company announced ground-breaking positive data from its Phase II ab trial, showing that ketamine combined with KARE therapy resulted in total abstinence in 162 of 180 days in the following 6-months period, achieving an increase in abstinence from around 2% prior to the trial to 86% post trial. The result for relapse at 6 months, showed that the ketamine plus KARE group's risk of relapse was 2.7 times less than the placebo plus alcohol education group. The positive Phase II trial outcome and Awakn's newly formed partnership with the UK NHS and UoE, paved the way to progress this trial into Phase III, with the ultimate aim of securing regulatory approval for ketamine-assisted psychotherapy to treat AUD in the UK through the NHS and potentially in other territories.

On January 19, 2022, the Company announced the signing of a memorandum (the "MAPS MOU") of understanding with the Multidisciplinary Association for Psychedelic Studies ("MAPS") to explore a partnership for MDMA-assisted therapy for the treatment of AUD in Europe. Under the terms of the MAPS MOU, the Company will explore a data licensing agreement with MAPS to support the Company's Phase IIb and planned Phase III studies for MDMA-assisted therapy for AUD in Europe. The Company and MAPS will also assess a partnership to secure marketing authorization/regulatory approval for the ethical commercialization of MDMA-assisted therapy for the treatment of AUD in Europe.

On January 26 and February 17, 2022, the Company announced the filing of patent applications for a new chemical series of entactogen-like molecules, further strengthening the Company's intellectual property portfolio and pipeline for the treatment of a broad range of addictions including, but not limited to, substance addictions, such as alcohol, and behavioural addictions, such as gambling disorder and compulsive sexual behaviour.

On April 6, 2022, the Company announced the completion of phase one of its NCE drug discovery program. The Company completed a hit to lead program which delivered on its key goals of identifying and patenting novel chemistry scaffolds. It also established drug discovery assays with the potential to facilitate lead optimization activities. This is an essential first step on the pathway of developing new, faster-acting and safer entactogenic therapies for the market. A combination of computational screening and medicinal chemistry approaches was utilized to identify numerous chemical scaffolds via in vitro pharmacology and drug metabolism and pharmacokinetics ("DMPK") testing. Multiple patents have now been filed with several of these chemical scaffolds, demonstrating in vivo activity, providing an excellent starting point for lead optimization activities.

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 October 31, 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.

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 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). 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 August 4, 2021, the Company signed a 10-year lease to open an Awakn clinic in London ("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 Company has partnered with One Fine Day Design Limited, 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 located on Duke's Road, near the UCL Hospital and the British Medical Association.

On October 4, 2021, the Company completed the acquisition of Axonklinikken AS ("Axon"), now Awakn Oslo AS, a leading ketamine-assisted psychotherapy clinic in Norway. Dr. Lowan Stewart from Axon, has been appointed as Regional Director for the Nordics and Management Director of Awakn Oslo AS (the "Oslo Clinic"). The Oslo clinic will serve as the Nordic hub from which the Company plans to expand its clinical network across the region. To complete the acquisition of Axon, the Company issued 200,000 common shares, and has granted an earn-out under which the former shareholders of Axon have the ability to earn up to $1,350,000 based on meeting certain milestones, including opening a second clinic in Norway, opening clinics in second and third Nordic countries, as well as achieving certain agreed upon revenue and EBITDA targets. The Company has the option to pay the earn-out in cash or common shares at its option.

During October, 2021, the Bristol Clinic received its Care Quality Commission's ("CQC") license and its Schedule 2 controlled drugs license from the Home Office to begin ketamine treatments.

Highlights to the Current Period Ended January 31, 2022

During November 2021 the Bristol clinic started providing ketamine-assisted psychotherapy to its first clients and in January 2022 construction was completed on the London clinic which is currently undergoing assessment for regulatory approval. In March, 2022, the Company received its final CQC approval, as well as Schedule 2 license for its London clinic, and in April started treating patients.

On March 15, 2022, the Company announced the appointment of Kevin Lorenz as its United States head of commercial development. Mr. Lorenz will lead the Company's therapeutics commercialization activities in the United States, starting with the launch of its licensing partnership for the Company's proprietary methodology of ketamine assisted therapy to treat alcohol use disorder.

Awakn Corporate

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

On May 13, 2021, the Company and Awakn Inc. entered into a definitive agreement with respect 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.

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

On 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.

On 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.

Highlights to the Current Period Ended January 31, 2022

On November 30, 2021, the Company appointed Katherine Butler as Chief Financial Officer (“CFO”) after a transition period of up to three months with the outgoing CFO, Jonathan Held. Katherine Butler officially assumed the role of CFO subsequent to the period end, on February 14, 2022 and Jonathan Held assumed the role of Awakn’s Chief Business Officer.

On December 14, 2021, the Company appointed Paul Carter, former Chief Commercial Officer of Gilead Sciences Inc., as an independent member of the Company’s Board of Directors, increasing the independent majority on the board and replacing Dr. Benjamin Sessa who has resigned from the Board of Directors.

On March 22, 2022, the Company completed a non-brokered private placement through the issuance of 2,031,250 units at a price of $1.60 per unit for gross proceeds of $3.25 million. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of $2.20 for a period of two years.

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 include “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”. The target dates that the Company reports below may vary quarter over quarter as the Company updates it’s targets as additional information with regards to timing comes available.

Milestone[3]	**Target Date** (Calendar Quarter)	**Status**
Phase II ab KARE: Ketamine for reduction of Alcoholic Relapse, acquired under license from University of Exeter publication in American Journal of Psychiatry	Q4 2021	Completed
Open Awakn Medical Psychedelic-Assisted Psychotherapy Clinic in London, United Kingdom	Q1 2022	Completed[1]
New Chemical Entity drug development: Lead series identified	Q1 2022	Completed[1]
Early feasibility study on Gambling addiction, compulsive sexual behavior, gaming addiction and binge eating disorder	Q2 2022	In Progress
Mechanistic study of ketamine in Gambling addiction.	Q3 2022	In Progress
New Chemical Entity drug development: Initiate lead optimization	Q3 2022[2]	Not started
Therapeutics Commercialization: Ketamine-Assisted Therapy for Treatment of Alcohol Use Disorder ("KARE") developed and launched into US and Canada	Q3 2022	In Progress
Ketamine for reduction of Alcoholic Relapse Phase III MHRA regulatory and ethics approval	Q4 2022	Not started
Open additional Awakn Medical Psychedelic-Assisted Psychotherapy Clinic	Q4 2022	Not started
Ketamine for reduction of Alcoholic Relapse Phase III first patient, first visit	Q1 2023[2]	Not started
MDMA-Assisted Psychotherapy Phase IIb: MHRA regulatory and ethics approval and first patient, first visit	2023[2]	In Progress
New Chemical Entity drug development: Pre clinical candidate development declared	2023[2]	Not started

(1) Completed subsequent to year end.
(2) Timeline to completion has been updated from the prior quarter based on current information available to the Company.
(3) The Company removed certain milestones related to the opening of clinics, as the Company assesses optimal locations and timing for opening of future clinics as it obtains data from the three currently operational clinics.

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

The following table sets out selected financial information for the previous two years of Awakn up to January 31, 2022.

	Year ended January 31, 2022	Period from Incorporation to January 31, 2021
	($)	($)
Revenue	236,037	Nil
Net Loss attributable to shareholders	(15,945,845)	(944,924)
Net Loss per share attributable to shareholders – basic and diluted	(0.73)	(0.07)
Total assets	6,876,632	825,488
Working capital	255,650	234,945
Long-term liabilities	1,997,250	118,434
Cash dividends declared	Nil	Nil

Revenue

	Three months ended January 31, 2022	Three months ended January 31, 2021	Year ended January 31, 2022	Period from Incorporation to January 31, 2021
	($)	($)	($)	($)
Service revenue	204,300	-	236,037	-

Revenue of $204,300 and $236,037, for the three months and year ended January 31, 2022, respectively, is generated from the provision of Ketamine assisted therapies at the Oslo Clinic and the Bristol Clinic. These clinics were not open in the equivalent period of the previous year. Revenue for the three months ended January 31, 2022 has increased 544% or $172,563 versus the three months ended October 31, 2021. This increase is due to (i) the acquisition of Axon, a leading ketamine-assisted psychotherapy clinic in Norway, which the Company acquired on October 4, 2021; and (ii) the opening and commencement of treatment services to clients at the Bristol Clinic in November 2021 following receipt of the CQC and Schedule 2 licensing in October 2021. Subsequent to the year end the Company opened a third clinic, Awakn's flagship and largest clinic in London and expects to see increased revenue from each of its clinics as operations continue to ramp up through 2022.

Operating Expenses

Components of operating expenses for the three months and year ended January 31, 2022 and periods ended January 31, 2021 were as follows:

	Three months ended January 31, 2022	Three months ended January 31, 2021	Year ended January 31, 2022	Period from Incorporation to January 31, 2021
	($)	($)	($)	($)
Research and development	1,412,548	-	3,309,083	-
General and administration	1,208,806	338,231	3,306,056	500,050
Sales and marketing	749,597	67,145	1,630,312	77,382
Stock-based compensation	314,723	14,782	1,090,277	39,870
Depreciation and amortization	93,150	7,770	181,411	12,924
Service costs	381,787	-	512,870	-

Research and development costs of $1,412,548 and $3,309,083, for the three months and year ended January 31, 2022, 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 (such as the mechanistic study for gambling addiction), costs associated with IP protection, and costs associated with the 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 its research programs during the prior year.

Key aspects of general and administrative expenses are provided in additional detail below:

	Three months ended January 31, 2022	Three months ended January 31, 2021	Year ended January 31, 2022	Period from Incorporation to January 31, 2021
	($)	($)	($)	($)
Personnel costs	686,248	159,873	1,407,409	213,327
Professional fees	135,238	143,990	1,109,088	236,401
Office and general	387,320	34,368	789,559	50,322
Total	1,208,806	338,231	3,306,056	500,050

During the three months ended January 31, 2022, the largest component of the general and administrative costs related to personnel costs of $686,248 compared with $159,873 for the same period in the prior year. The current year costs represent amounts paid for the UK operations (and clinical teams prior to receipt of CQC license), as well as officers of the Company. The increase in costs compared to the same period in the prior year was due to the continued growth of the company. Professional fees of $135,238 and $1,109,088 for the three months and year ended January 31, 2022, respectively, largely consist of investor relations fees, legal fees, audit fees, recruitment fees and other consulting services. The increase in professional fees compared to prior year was due to the Company becoming a public Company and the continued expansion. During the three months ended January 31, 2022, the Company saw an increase in Office and general largely related to increased costs for D&O insurance due to becoming a public company, as well as increased travel costs due to Company growth.

Sales and marketing costs of $749,597 and $1,630,312, for the three months and year ended January 31, 2022, respectively, related to certain PR, media, website and branding costs incurred as the Company looked to introduce its current and future clinics to the market, and also completed its go-public transaction under which it is looking to generate increased 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 $314,723 and $1,090,277 for the three months and year ended January 31, 2022, 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, due to an increase in the number of participants in the share options plan due to Company growth.

Service costs for the three months and year ended January 31, 2022, totaled $381,787 and $512,870, respectively, an increase from Nil for the comparative periods ended January 31, 2021. Service costs are direct costs incurred by a clinic from the point at which the clinic is able to begin providing treatments. For UK clinics this is deemed to be on receipt of the Care Quality Commission (“CQC”) license. Clinic costs incurred before a clinic is able to commence treatment are classified as general and administrative. The increase was due to the acquisition of the operations of the Oslo Clinic in October 2021, and the receipt of the CQC license and commencement of treatment services for clients at the Bristol Clinic in November 2022.

If the Company deducts the Service costs from its Service revenue for each of the periods, the company was operating at a net loss at the clinic level of $177,487 for the three months ended and $276,833 for the year ended January 31, 2022. The Company expects to operate at a net loss during the earlier stage of operations, as a large portion of the Company’s service costs are fixed costs. As the Company increases the number of clients at each of its clinics, the Company expects it will become profitable at a clinic level of operations.

Other expense (income)

Components of other expense (income) for the year ended January 31, 2022 were as follows:

	Three months ended January 31, 2022	Three months ended January 31, 2021	Year ended January 31, 2022	Period from Incorporation to January 31, 2021
	($)	($)	($)	($)
Other income	(1,627)	-	(10,350)	-
Finance costs	60,316	5,985	205,426	9,824
Change in fair value of derivative liabilities	-	-	5,082,558	-
Change in fair value of contingent consideration	155,647	-	179,977	-
Transaction costs	16,249	15,596	204,522	470,726
Listing expenses	(1,500)	-	957,967	-
Foreign exchange loss (gain)	(7,327)	(5,873)	57,643	(4,381)
Total	221,758	15,708	6,677,743	476,169

During the three months and year ended January 31, 2022, finance costs of $60,316 and $205,426, respectively, were incurred, which mainly includes accretion expenses on the convertible debentures and the Company's lease liabilities. The significant increases compared to the same periods in the prior years are due to (i) no convertible debentures outstanding during the prior year; and (ii) only one clinic lease compared to three leases in the current year as the Company continues to expand.

During the three months and year ended January 31, 2022, the change in fair value of derivative liabilities of $Nil 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 the 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 months and year ended January 31, 2022, change in fair value of contingent consideration of $155,647 and $179,977, respectively, were incurred, as a result of the revaluation of the contingent consideration payable to vendors as part of the acquisition of the Axon, which was initially estimated to have an undiscounted value of $1,350,000. No amount was incurred in the same periods in the prior year as the acquisition took place in October 2021.

During the three months and year ended January 31, 2022, transaction costs of $16,249 and $204,522, respectively, were incurred. The $204,522 largely related to the costs incurred in conjunction with the convertible debenture financing and the acquisition of Axon. In the same periods in the prior year, the Company incurred transaction costs of $15,596 and $470,726, respectively, which were all related to the acquisition of the Bristol Clinic.

In addition, the Company also incurred listing expenses of $957,967 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 $423,703.

Summary of Quarterly Results

The following table sets out selected quarterly information for the previous quarters of Awakn up to January 31, 2022.

	Three months ended January 31, 2022	Three months ended October 31, 2021	Three months ended July 31, 2021	Three months ended April 30, 2021

	($)	($)	($)	($)
Revenue	204,300	31,737	-	-
Net Loss attributable to shareholders	(4,040,518)	(2,945,617)	(7,799,878)	(1,161,873)
Net Loss per share attributable to shareholders – basic and diluted	(0.16)	(0.12)	(0.37)	(0.07)
Total assets	6,876,056	10,736,918	9,944,697	4,012,502
Working capital	255,650	4,374,955	8,590,769	3,198,279
Long-term liabilities	1,997,250	2,064,064	89,529	3,825,664
Cash dividends declared	Nil	Nil	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

Revenue has increased significantly due to clinic expansion as explained in earlier sections.

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the three months ended January 31, 2022 was $4,182,746, of which $137,551 was allocated towards a non-controlling interest. The loss was primarily due to (i) research and development costs of $1,412,548; (ii) general and administrative expenses of $1,208,806; and (iii) sales and marketing expenses of $749,597.

Liquidity and Capital Resources

The Company's total cash balance as at January 31, 2022 was $1,623,190 (January 31, 2021 - $366,065) and a total working capital of $255,650 (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 or debt until such time that sufficient revenue can be generated through its service offerings. To date, the Company has been able to raise capital through financings that will fund the Company's planned growth and development activities. As at January 31, 2022, the Company has no long term debt obligations, except leases and contingent consideration, with working capital liabilities limited to trade payables and lease liabilities for its clinics.

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 have been and will continue to be used towards the ongoing operations of the business.

Subsequent to year end on March 22, 2022, the Company completed a non-brokered private placement through the issuance of 2,031,250 units at a price of $1.60 per unit for gross proceeds of $3.25 million. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of $2.20 for a period of two years.

The Company's objectives 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 January 31, 2022, 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 year ended January 31, 2022 as compared to the year ended January 31, 2021.

	Year ended January 31, 2022	**Period from Incorporation to January 31, 2021**
	($)	**($)**
Cash used in operating activities	(8,586,259)	(427,889)
Cash used in investing activities	(1,685,379)	(216,180)
Cash from financing activities	11,501,513	1,057,617

Cash used in operating activities

During the year ended January 31, 2022, cash used in operating activities of $8,586,259 was primarily due to the Company's focus on its initial research programs, setting up operations for the first clinics, and other general overhead and working capital items. The Company expects improvements to the operating cash flow as the Company's provision of services at its clinics continues to expand.

Cash used in investing activities

During the year ended January 31, 2022, cash used in investing activities of $1,685,379 consisted primarily of the acquisition of property and equipment, largely related to leasehold improvements for its clinics in Bristol and London.

Cash from financing activities

During the year ended January 31, 2022, cash from financing activities of $11,501,513 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 transaction costs.

Contractual obligations and commitments

As at January 31, 2022 the payments due by period are set out in the following tables:

	Total ($)	< 1 year ($)	2 – 3 years ($)	4 – 5 years ($)	After 5 years ($)
Accounts payable and accrued liabilities	1,287,214	1,287,214	Nil	Nil	Nil
Finance lease obligations	3,061,503	355,977	730,425	617,577	1,357,524
Contingent consideration	1,350,000	250,000	800,000	300,000	Nil
Purchase obligations	Nil	Nil	Nil	Nil	Nil
Other obligations	Nil	Nil	Nil	Nil	Nil
Total contractual obligations	**5,698,717**	**1,893,191**	**1,530,425**	**917,577**	**1,357,524**

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 of April 28, 2022, please see the table below for information regarding outstanding share capital of the Company.

Common shares	26,918,557
Options	2,021,746
Warrants	2,838,410
Deferred share units (see Off-Balance Sheet Arrangements below)	35,172
Fully diluted share capital	**31,801,967**

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

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

Deferred share units ("DSUs") granted
On December 13, 2021, the Company granted 35,172 DSUs to a director of the Company, pursuant to a restricted share unit ("RSU") and DSU compensation plan ("RSU/DSU Plan") adopted by the Company. The maximum number of awards issuable under the RSU/DSU Plan, together with the number of stock options issuable under the Company's stock option plan, may not exceed 10% of the number of issued and outstanding common shares of the Company as at the date of grant. Each vested DSU entitles the participant to receive one common share of the Company upon settlement. As the RSU/DSU Plan remains subject to the approval of the NEO Exchange Inc. and shareholder ratification as at year ended January 31, 2022, no share-based compensation related to the issuance of DSUs has been made in these consolidated financial statements.

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 year ended January 31, 2022 and period from April 27, 2020 (date of incorporation) to January 31, 2021, the Company had the following related party transactions:

(a) On July 9, 2020, the Company acquired a controlling interest in the Bristol Clinic 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:

	Year ended January 31, 2022	Period from April 27, 2020 (incorporation date) to January 31, 2021
Short-term compensations	$ 1,199,807	$ 150,283
Share-based payments	671,047	7,606
Total	**$ 1,870,854**	**$ 157,889**

(c) As at January 31, 2022, $Nil (January 31, 2021 - $11,080) was due from Dr. Sessa, a director, the balance as at January, 31, 2021 was included in other receivables on the consolidated statements of financial position. The

balance as at January 31, 2021 was an unsecured, interest-free loan made to a director of the Company on July 9, 2020 and it has been repaid during the current fiscal year.

(d) As at January 31, 2022, a balance of $68,205 (January 31, 2021 - $31,497) was due to directors and officers of the Company, which was included in accounts payable and accrued liabilities on the consolidated statements of financial position. The balance was non-interest bearing, unsecured and repayable on demand.

Critical Accounting Estimates and Judgements

The preparation of the consolidated 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.

Estimated useful lives, impairment considerations, depreciation of property and equipment and amortization of 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. Goodwill and indefinite life intangible asset impairment testing require management to make estimates in the impairment testing model. On an annual basis, the Company tests whether goodwill and indefinite life intangible assets are impaired. Impairment is influenced by judgment in defining a cash generating unit ("CGU") and determining the indicators of impairment, and estimates used to measure impairment losses. The recoverable value of goodwill, indefinite and definite long-lived assets is determined using discounted future cash flow models, which incorporate assumptions regarding projected future cash flows and capital investment, growth rates and discount rates.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. The determination of the fair value of identifiable intangible assets, in particular, requires the use of significant estimates and assumptions, such as estimated growth rate, margins and discount rates.

Contingent consideration

Management is required to make a number of estimates in calculating the fair value of contingent consideration. These estimates include a number of assumptions such as estimating future financial performance, the likelihood of achieving performance milestones, and the cost of capital of the acquired business.

Deferred taxes

Significant estimates are required in determining the Company's income tax provision. Some estimates are based on interpretations of existing tax laws or regulations. Various internal and external factors may have favourable or unfavourable effects on the Company's future effective tax rate. These include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, and results of tax audits by tax authorities.

COVID-19 pandemic

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Various levels of government Canada, the United Kingdom and other jurisdictions have responded with significant regulatory, monetary and fiscal interventions designed to stabilize economic conditions. It is difficult for the Company to measure the impact with certainty. Judgments, estimates and assumptions made by management during the preparation of these consolidated financial statements may also change as conditions related to COVID-19 change. Changes in assumptions including, but not limited to, interest rates and commodity prices could impact the company's future results of operations. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, the United Kingdom and other countries to fight the virus.

Standards issued but not yet effective

International Accounting Standards ("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 January 31, 2022, 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 year ended January 31, 2022, level three inputs were used to determine the fair values of the convertible debentures, derivative liabilities and contingent consideration. All convertible debentures and derivative liabilities were either converted or extinguished at January 31, 2022.

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, accounts receivable 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 January 31, 2022 is the carrying value of cash, accounts receivables 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 its operations and anticipating its operating and investing activities. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Year ended January 31, 2022	Total $	Less than 1 year $	1 year to 3 years $	3 year to 5 years $	Over 5 years $
Accounts payable and accrued liabilities	1,287,214	1,287,214	-	-	-
Lease liabilities	3,061,503	355,977	730,425	617,577	1,357,524
Contingent consideration	1,350,000	250,000	800,000	300,000	-
	5,698,717	**1,893,191**	**1,530,425**	**917,577**	**1,357,524**

Year ended January 31, 2021	Total $	Less than 1 year $	1 year to 3 years $	3 year to 5 years $	Over 5 years $
Accounts payable and accrued liabilities	228,335	228,335	-	-	-
Lease liabilities	216,607	13,677	107,309	95,621	-
	444,942	**242,012**	**107,309**	**95,621**	**-**

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.

The following table demonstrates the sensitivity of the Company's equity at the end of the reporting period to a reasonably possible change in the exchange rates of the foreign currencies, with all other variables held constant.

Base currency	Total financial instruments in base currency	% change in exchange rate	Total impact on net loss
GBP	372,355	10%	63,643
EUR	(10,423)	10%	(1,486)
USD	(98,764)	10%	(12,613)
NOK	74,446	10%	1,062

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.