



**AWAKN LIFE SCIENCES CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTHS ENDED APRIL 30, 2024**

**(Expressed 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 June 28, 2024, and is for the three months ended April 30, 2024. It is supplemental to and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended April 30, 2024, and with the consolidated financial statements for the years ended January 31, 2024 and 2023 (the "Financial Statements"). This section may contain forward-looking information that involves 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 June 28, 2024.

### 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 or of other potential pandemics;
- 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, United States, Canada, the European Union and other European countries; and
- the approval of regulatory bodies of psychedelic substances other than ketamine, including MDMA and NCE's, for the treatment of various health conditions;

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 May 28, 2024 under the heading "Risk Factors", or otherwise disclosed in the public filings made with applicable security regulators and available at [www.sedarplus.ca](http://www.sedarplus.ca).

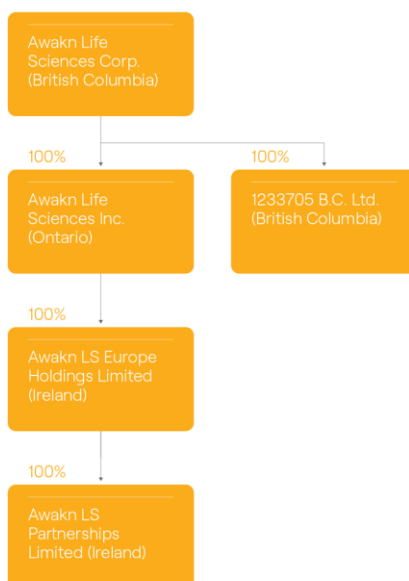
## Corporate Structure

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 Canadian Securities Exchange (the "CSE") on February 13, 2024 under the symbol "AWKN." The Company also trades on the OTCQB Venture market under the ticker symbol "AWKNF", and on the Boerse Frankfurt exchange under the Symbol "954."

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

The Company currently has subsidiaries in Ireland and Canada. The Company's corporate organizational chart is presented below:



## Description of Business

The Company is a clinical-stage biotechnology company developing medication-assisted treatments for addiction. Awakn has a near-term focus on Alcohol Use Disorder (AUD), a condition affecting approximately 51 million people in the US and key European markets and 285 million people globally for which the current standard of care is inadequate. Our goal is to provide breakthrough therapeutics to addiction sufferers in desperate need and our strategy is focused on commercializing our R&D pipeline across multiple channels.

The Company has two core functions:

### **1. Research and Development:**

- **Research and Development:** Clinical and pre-clinical stage programs focused on repurposing approved or developing drugs to treat addiction with appropriate intellectual property moats in place.

## 2. Intellectual Property Licensing

- **Healthcare Licensing Partnerships:** Licensing the Company’s proven therapeutics to mental health and addiction treatment clinics.

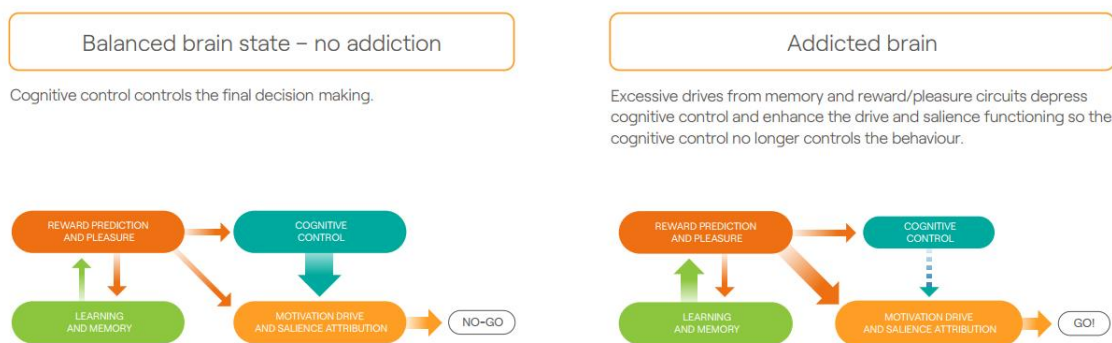
Historically the Company operated a limited number of healthcare clinics deploying the therapeutics developed in the Company’s R&D business to generate revenue and clinical data, and to provide the latest evidence backed therapeutics to treat addiction and mental health conditions. On June 9, 2023, Awakn announced its intention to exit from the healthcare clinics business by the end of July 31, 2023, the had completed the exit of the clinics.

### Approach to treating addiction

The Company is addressing addiction by developing proprietary medication-assisted treatments (“MAT”s) for addiction. Awakn’s MATs target the brain circuits that drive addiction. These circuits control the behavioural drivers of addiction. This disruption allows the individual to escape from the repetitive addictive behaviours and thoughts, and in doing so engage with a psychotherapeutic process to enable lasting positive change.

The therapies work in conjunction with our medicines enabling the patients to regain control over their lives and helping them to learn new more adaptive ways to respond to addictive urges, cravings and the underlying processes that drive them. The therapies are manualized and our protocols are condensed, ensuring efficient use of healthcare resources, including people, time, and real estate.

### **Awakn’s MATs’ Mechanism of Action**



### **Research and Development activities:**

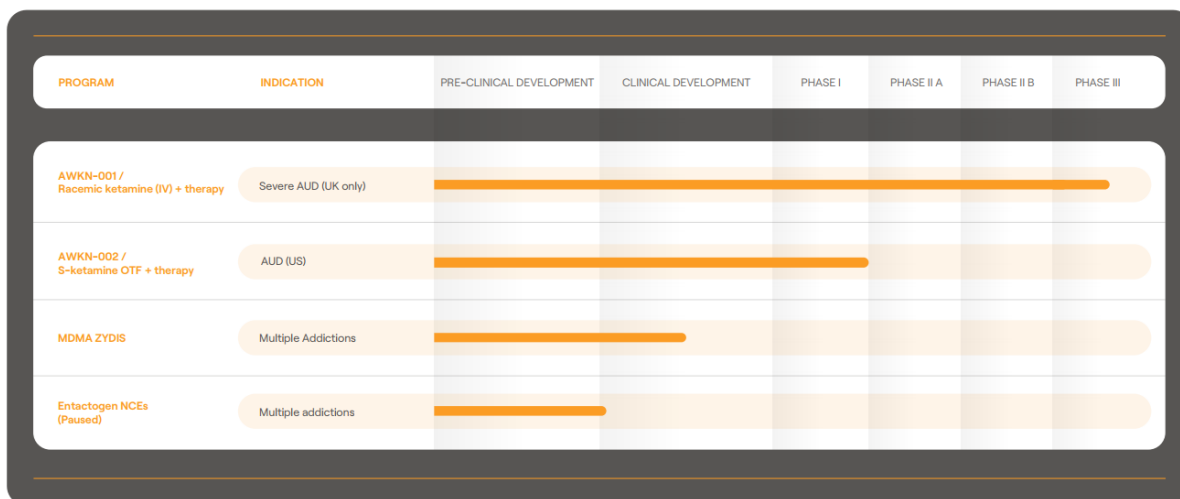
The Company’s R&D is currently focused on re-purposing approved drugs and developing drugs to treat addiction, with a focus on AUDs. Awakn partners with established pharmaceutical industry companies and state bodies on its research and development programs. This approach reduces time to market and also reduces cost and risk.

The Company has four research and development programs:

1. **AWKN-001** - a novel psychedelic MAT of an N-methyl-D-aspartate receptor-modulating drug (ketamine) delivered intravenously (“IV”) used in combination with manualized psycho-social support for severe Alcohol Use Disorder (“SAUD”) targeting the UK market only;
2. **AWKN-002** - a novel psychedelic MAT consisting of a patent pending proprietary S–ketamine OTF used in combination with manualized psycho-social support to treat AUD in the US;
3. Developing MDMA into an oral disintegrating tablet (“ODT”) for sublingual administration. Awakn has partnered with Catalent to develop MDMA onto Catalent’s Zydis® Technology ODT) to investigate improving the pharmacokinetic profile of MDMA for potential treatment of addiction and possibly other behavioral health disorders; and

4. 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, which is currently on hold.

#### The Company's Development Pipeline



1. **AWKN-001** - a novel psychedelic MAT of an N-methyl-D-aspartate receptor-modulating drug (ketamine) used in combination with manualized psycho-social support for SAUD in the UK market only.

In March 2021, the Company acquired an exclusive license to the intellectual property from the University of Exeter's Phase II ab ketamine for reduction of Alcoholic Relapse ("Awakn Kare") clinical trial (N=96, 4-armed trial). Results from AWKN-001 phase II study were positive, achieving 86% abstinence in the 6 months post treatments vs. 2% abstinence pre-trial and 25% abstinence in current standard of care.

In December 2022, the Company signed a Collaboration Agreement with the University of Exeter putting in place a framework for an upcoming phase 3 trial for AWKN-001 ("More Kare"). The trial is run by the University of Exeter and is co-funded by the National Institute for Health Research (NIHR) Efficacy and Mechanism Evaluation Programme (NIHR150193) and Awakn Life Sciences Corp. The trial will be an n=280, two-armed randomized placebo-controlled trial. It will be delivered across ten UK National Health Services ("NHS") sites, and Awakn will contribute approximately GB£800,000 towards the costs of the trial, with the National Institute for Health Care Research and University of Exeter contributing the balance of the costs.

In February 2023, the UK Medicines and Healthcare products Regulatory Agency (MHRA) awarded an Innovation Passport to AWKN-001 for the treatment of SAUD. The Innovation Passport is the entry point for the MHRA's Innovative Licensing and Access Pathway (ILAP), the UK version of the FDA's break through designation. The goal of ILAP is to accelerate the time to market in the U.K.

In September 2023, the Clinical Trial Application (CTA) was submitted to the MHRA for the More Kare AWKN-001 phase 3 trial to treat SAUD. Clinical trial authorization was received from the MHRA and ethical approval received from the UK Health Research Authority in November 2023.

In December 2023, the More Kare AWKN-001 phase 3 trial received clinical trial authorization from the MHRA and ethical approval from the UK Health Research Authority, with enrolment forecast to start in 2024.

2. **AWKN-002** - a novel psychedelic MAT consisting of a patent pending proprietary S-ketamine OTF used in combination with manualized psycho-social support relapse prevention CBT to treat AUD in the US.

In August 2022, the Company entered into a twelve-month option agreement with a leading drug development, manufacturing, and delivery systems company to in-license a phase 1 program, with associated data and patents, for

proprietary formulation and route of administration for esketamine. In July 2023, the Company extended the option agreement to February 2024.

In January 2023, the Company initiated an investigative study to establish the dissociative effect of the patent pending formulation of esketamine.

In December, 2023 the Company acquired an exclusive license for use of a property formulation of Esketamine OTF for the treatment of addiction, anxiety, and eating disorders with a right of first refusal for the treatment of post-traumatic stress disorder ("PTSD") from LTS Lohmann Therapie-systeme AG ("LTS"). Included in the licenses is access to data from LTS Lohman's successful phase 1 trial and access to formulation patents filed by LTS relating to the Esketamine OTF.

In January 2024, the Company completed the investigative study and based on the positive results designated the program AWKN-002 for the treatment of AUD in the US Market.

3. Developing MDMA to be used in combination with therapy to treat addiction, including developing MDMA onto Catalent's for Zydis® Technology, Oral Disintegrating Tablet; for pre-gastric absorption to address known pharmacokinetic challenges with MDMA in oral tablet format.

In September 2022, the Company signed a drug development agreement with Catalent, the global leader in enabling biopharma, cell, gene, and consumer health partners to optimize development, launch, and supply of better patient treatments across multiple modalities. The agreement is focused on investigating a market-ready proprietary formulation and optimized delivery route for MDMA using Catalent's proprietary Zydis® orally disintegrating tablet technology. Zydis is a unique, freeze-dried, oral solid dosage form that disperses almost instantly in the mouth, without the need for water and has a dispersion speed of as little as three seconds. Zydis is the world's fastest and best-in-class orally disintegrating tablet and has the potential to deliver a faster onset of activity.

In February 2023, the Company initiated a feasibility study of MDMA leveraging Catalent's proprietary Zydis® ODT fast dissolve technology. The study was focused on establishing the feasibility of using Catalent's Zydis ODT technology for the formulation and delivery of MDMA. A variety of chemical parameters were evaluated to access preliminary formulations. The ultimate aims of the study were to optimize the delivery of MDMA to minimize the amount of drug required to deliver efficacy, minimize variability in absorption, and to increase the overall speed of onset.

In October 2023, the Company completed the Zydis® ODT feasibility study. The study identified that MDMA is stable on Catalent's Zydis ODT technology and is suitable for pre-gastric absorption.

In January 2024, the Company initiated a pharmacokinetics ("PK") study in animal to assess the PK profile of MDMA in Catalent's Zydis ODT administered sub-lingually against the PK profile of MDMA in an oral capsule administered orally.

4. Developing NCE's that will disrupt the brain circuits responsible for the addictive behaviors of compulsivity, craving, and impulsivity and will improve the effectiveness of psycho-social support but will work in shorter treatment windows.

In March 2021, the Company acquired five years of know-how and research data from Prof. David Nutt's Equasy Enterprises Ltd ("Equasy Enterprises"). In this acquisition the Company acquired two key assets: details of potentially newly discovered modes of action for MDMA and details of potentially faster acting entactogen like compounds.

In June 2021, the Company initiated a drug discovery project with Evotec A.G. ("Evotec"), 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;

The Company has currently paused this NCE program to focus its capital resources on its ketamine, esketamine, and Zydis® Technology/MDMA programs.

The Company was previously doing additional work around the use of ketamine to treat behavioural addictions, but has paused further work on that research.

### **Intellectual Property Licensing activities:**

The Company's intellectual property licensing activities are currently focused on licensing its proven therapeutics for treating addiction and its legacy healthcare intellectual property to mental health and addiction treatment clinics.

The core elements to the Company's partnership offering:

- **Licensing:** Access to Awakn proprietary ketamine-assisted psychotherapy treatment protocols and therapy manuals, including Awakn Kare (ketamine for reduction of Alcoholic Relapse) treatment program, and supporting policies and protocols.
- **Training:** Training for practitioners delivering the Awakn Kare treatment program under license.
- **Design:** Assistance with optimizing the design of the physical environment where the therapy takes place.

To date, the Company has signed eight licensing agreements throughout United States, Canada, Portugal, UK and Norway. The licensing agreements the Company signed in Portugal was for 10 years on an exclusive basis for all of Portugal, and included Awakn's protocols for not just Awakn Kare, but also included protocols to treat Anxiety, Depression, Eating Disorders and PTSD.

Historically, the Company has also operated four clinics in the UK and Norway, however, during the year ended January 31, 2024, the Company disposed of all four clinics. The Company's former London clinic and Norwegian clinics are now licensing partners of the Company. The Company's clinical activity was focused on treating clients who need assistance with addiction and other mental conditions including Anxiety, Depression, and PTSD, with psychedelic-assisted psychotherapy, starting with ketamine-assisted psychotherapy.

### **Operational Highlights and Business Developments**

#### **Research and Development**

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

#### **Highlights of the Financial Year Ended January 31, 2024**

On February 7, 2023, the Company announced the U.K. Medicines and Healthcare products Regulatory Agency (MHRA) has granted Awakn an Innovation Passport as part of the Innovative Licensing and Access Pathway (ILAP) for its proprietary ketamine-assisted therapy for the treatment of Severe AUD. ILAP aims to accelerate time to market, facilitating patient access. Similar to the FDA's fast-track program in the United States, the U.K.'s MHRA Innovation Passport provides Awakn with access to specialist advice from the MHRA and its partners, including the National Institute of Health and Care Excellence (NICE). Throughout the therapeutic development process this has the potential to enable a more efficient, and ultimately a faster route to marketing authorization.

On February 9, 2023, the Company announced it has initiated a feasibility study of MDMA leveraging Catalent's proprietary Zydis® ODT fast dissolve technology. The study is focused on establishing the feasibility of using Catalent's Zydis ODT technology for the formulation and delivery of MDMA. A variety of chemical parameters are presently being evaluated to access preliminary formulations and, if proven to be feasible, a viable production formulation will be developed. The ultimate aims of the study are to optimise the delivery of MDMA, to minimise the amount of drug required to deliver efficacy, minimise variability in absorption, and to increase the overall speed of onset. Due to the faster onset of effects of Zydis ODT technology, there is the possibility to shorten sessions and, through pre-gastric absorption and bypassing of the first-pass metabolism, there is potential to enhance pharmacokinetics.

On April 18, 2023, the Company announced that it has signed a Collaboration Agreement with the University of Exeter putting in place a framework for the upcoming Phase III trial of AWKN-001. The trial is a tripartite partnership between the Company, the University of Exeter, and UK Dept. of Health (NIHR & the UK National Healthcare Service (NHS)). This clinical trial is run by the University of Exeter and is co-funded by the National Institute for Health Research (NIHR) Efficacy and Mechanism Evaluation



Programme (NIHR150193) and Awakn Life Sciences Corp. Awakn's cost capped at approximately GB£800,000. It will be n=280, two-armed randomized placebo-controlled trial. Targeted to be delivered across ten NHS sites.

On October 4, 2023, the Company announced it has completed a feasibility study for its proprietary formulation of MDMA using Catalent's Zydis® orally disintegrating tablet technology. Awakn will now proceed to testing its proprietary formulation of MDMA using Zydis ODT technology against oral capsule MDMA in vivo.

On October 31, 2023, the Company announced it has engaged Orphan Insight Ltd ("Orphan Insight") to develop and advance market access, pricing, and reimbursement for Awakn's lead program AWKN-001. AWKN-001 targets Severe Alcohol Use Disorder (SAUD), the most chronic type of AUD, a condition affecting approximately 51 million individuals in the United States and the key European markets of UK, Germany, France, Italy, and Spain. Founded in 2007, Orphan Insight is a consultancy specializing in UK healthcare market access and pricing strategies. Orphan Insight has supported many organizations in achieving market access in the UK, leading to the successful introduction of therapeutics for the treatment of diseases with significant unmet clinical need. Orphan Insight also will play a pivotal role in due course in negotiations with the UK Department of Health to ensure that AWKN-P001 becomes accessible to those in need. AWKN-001 is a novel combined therapeutic of an N-methyl-D-aspartate receptor-modulating drug (ketamine) used in combination with psycho-social support to treat SAUD. Results from AWKN-001 phase II study were very positive, achieving 86% abstinence in the 6 months post treatments vs. 2% abstinence pre-trial and a 50% reduction in Heavy Drinking Days (HDD) versus placebo.

On November 15, 2023, the Company announced that it has received clinical trial authorization from the Medicines and Healthcare products Regulatory Agency (MHRA) and ethical approval from the Health Research Authority in the UK for a phase III clinical trial for its lead program AWKN-001 for the treatment of Severe Alcohol Use Disorder (SAUD). SAUD, the most acute type of alcohol use disorder, affecting approximately 17 million people in the US and the key European markets of Germany, UK, France, Italy, and Spain.

On December 20, 2023, the Company announced the signing of a global licensing agreement with LTS, a leading pharmaceutical technology company. The agreement is for a proprietary Esketamine formulation, administered sublingually via an oral thin film ("OTF"). Awakn will have global exclusivity of its use in the treatment of Addiction, Anxiety Disorders, and Eating Disorders. LTS has successfully completed a phase 1 clinical trial and filed patents in the US and key international markets of China, Canada, Europe, and Japan for this novel formulation of Esketamine. Under the terms of the Agreement Awakn secured access to this phase 1 data and exclusive global rights to the proprietary formulation for use in the above indications, thereby ensuring strong intellectual property protection and potential to rapidly progress to late clinical stage trials.

On January 24, 2024 the Company completed the investigative study and based on the positive results, designated the program AWKN-002 for the treatment of AUD in the US Market.

### **Intellectual Property Licensing (formerly Commercialization)**

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

#### *Highlights of the Financial Year ended January 31, 2024*

On February 14, 2023, the Company announced the opening of Awakn Clinics Trondheim and will begin treating clients. This will be the second Awakn clinic operating in Norway with a further two clinics already based in the UK. As a result of the opening of this clinic, the Company is required to issue an additional 100,000 common shares to the former shareholders of Awakn Norway AS.

On February 21, 2023, the Company announced it has signed its first Licensing Partnership agreement in Europe with a healthcare consortium ("Portuguese Partner"). The agreement will support the Portuguese Partner's strategy to launch a new chain of medical-psychedelic clinics in Portugal, with the first location in Lisbon. Awakn will provide the Portuguese Partner with an exclusive license for use of its clinical protocols for the treatment of AUD, Anxiety, Depression, Eating Disorders and PTSD in Portugal for a period of 10 years. Awakn will train the Portuguese Partner's clinicians in the delivery of these protocols and will provide ongoing strategic, operational, risk management, and marketing support.

On February 28, 2023, the Company announced it has signed its fourth Licensing Partnership agreement in North America. The agreement is with Ken Starr MD Wellness Group, an addiction treatment facility in California. This is the first Licensing Partnership Awakn has signed with a dedicated addiction treatment provider.

On April 11, 2023, the Company announced that it acquired the 49% of Awakn Bristol Limited that it did not currently own, resulting in 100% ownership of Awakn Bristol Limited and its Bristol Clinic.

On June 9, 2023, the Company announced that it:

1. Has initiated a strategic review of its Norwegian healthcare clinics business unit, Awakn Oslo AS, which consists of two clinics, one in Oslo and one in Trondheim. Awakn Oslo AS generated its highest monthly revenue to date during May 2023, driven by the opening of its Trondheim clinic in March 2023, and its new Oslo clinic in May 2023. As part of the strategic review, Awakn is seeking potential purchasers of Awakn Oslo AS.
2. Has signed a non-binding term sheet to exclusively license selected elements of its healthcare services intellectual property ("IP"), within the UK, and to non-exclusive license for Awakn Kare, also within the UK, with a consortium consisting of a private UK investment company and a large UK 3rd sector addiction and mental health treatment provider, for an upfront fee and a revenue share.
3. Is initiating a restructuring of its UK healthcare clinics business unit, in which Awakn's UK entities are expected to enter into administration or liquidation.

On July 5, 2023, the Company announced the sale of Awakn London Limited., Awakn's subsidiary that owns and operates its healthcare clinic in London, United Kingdom ("UK") trading as Awakn Clinics London. The subsidiary has been purchased by a joint venture entity, Awakn Via Amitis Ltd., jointly owned by Via (formerly WDP) a leading UK healthcare charity providing addiction and mental health services in the UK, and Amitis Group, a private UK investment company. Awakn also announces an agreement with Awakn Via Amitis Ltd. for the exclusive license of selected elements of Awakn's healthcare services intellectual property ("IP"), within the UK, and a non-exclusive license for Awakn Kare, within the UK, in consideration for a share of Awakn London Limited's revenue being payable to Awakn. The clinic will continue to operate as Awakn Clinics London with Via taking over clinical operations and leading the delivery of all treatments and therapies at the clinic. As of January 31, 2024, Awakn Bristol Limited and Awakn Life Sciences UK Ltd. had also ceased trading and the Company had appointed liquidators for both entities.

On August 1, 2023, the Company announced the sale of its clinics businesses in Norway, comprising of Awakn Clinics Oslo and Awakn Clinics Trondheim. The clinics have been purchased in a management buyout. This enables Awakn to focus solely on its biotechnology research and development (R&D) programs. In consideration of the sale, Awakn will receive a fee from the new owners for the acquisition of both clinics and executed an agreement with the new owners for the license of selected elements of Awakn's healthcare services intellectual property, and a license for Awakn Kare in Norway. In return Awakn will receive a share of revenue from the clinics on an ongoing basis.

#### Highlights of the Current Period Ended April 30, 2024

On April 3, 2024, the Company announced the launch of an additional Licensing Partnership agreement with Rivus Wellness and Research Institute ("Rivus"), based in Oklahoma City. This was the first Licensing Partnership in the U.S. southern states for the Company, opening up a whole new population and geographic region to the Awakn Kare treatment. Under the terms of the license agreement.

#### **Awakn Corporate**

#### Highlights of the Financial Year Ended January 31, 2024

On April 11, 2023, the Company announced that it has completed the filing of three Patent Cooperation Treat (PCT) applications for its NCE program, which has resulted in the issuance of an additional 70,000 common shares to Prof. David Nutt pursuant to the Intellectual Property Transfer Agreement with Equasy Enterprises Ltd.

On April 13, 2023, Dr. Ben Sessa resigned from his role as Head of Psychedelic Medicine at Awakn.

On April 26, 2023, the Company announced a non-brokered private placement financing for gross proceeds of up to \$3,000,000 through the issuance of up to 6,521,739 units in the capital of the Company (the "Units") at a price of \$0.46 per Unit (the "Offering"), and that the Company has closed the first tranche of the Offering issuing 2,392,858 Units for gross proceeds of \$1,100,715. Each Unit is comprised of one common share in the capital of the Company and three quarters of one whole Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.63 per Common Share for a period of five years from the date of issuance.

On June 14, 2023, the Company closed the second tranche of the Offering, issuing 1,884,204 Units for gross proceeds of \$866,734 for this tranche.

On June 9, 2023, the Company issued 2,700,000 share purchase warrants to a consultant of the Company. The warrants are exercisable at \$0.63, for a period of five years from the date of issuance.

On September 14, 2023, the Company closed the third tranche of the Offering, issuing 1,667,858 Units for gross proceeds of \$767,215 for this tranche.

On November 10, 2023, the Company received a notice (the "Notice") from Cboe Canada ("Cboe") indicating that Awkn is not in compliance with Section 3.01(3) of Cboe's Listing Manual. The Company has 90 days to address the non-compliance. The Company is reviewing its options.

On December 15, 2023, the Company closed the fourth tranche of the Offering, by issuing 500,000 units at a price of \$0.46 per unit for gross proceeds of \$230,000 for this tranche and \$2,964,663 in total for the Offering to date.

#### Highlights of the Current Period Ended April 30, 2024

On February 5, 2024, the Company closed the fifth tranche of the Offering, by issuing 142,857 Units for gross proceeds of \$65,714 for this tranche and \$3,030,377 in total for the Offering to date.

On February 5, 2024, the Company announced that it has made an application and received conditional approval to list its common shares on the CSE subject to fulfilling customary CSE requirements. The Company also announced that it intends to delist its common shares from Cboe Canada.

On February 12, 2024, the Company announced that it received approval to have the common shares ("Common Shares") of the Company listed on the CSE under the symbol "AWKN" at the opening of markets on February 13, 2024.

On April 17, 2024, the Company announced it had closed the first tranche of its non-brokered private placement through the issuance of an additional 285,714 units at a price of \$0.46 per unit for additional gross proceeds of \$131,428.

On June 4, 2024, the Company announced it has closed a second tranche of its previously announced non-brokered private placement through the issuance of an additional 857,142 units at a price of \$0.46 per Unit for additional gross proceeds of \$394,285.

#### **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 differing 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 its targets as

additional information with regards to timing comes available, at times removing previous milestones which had been stated as targets.

Milestone <sup>(1)</sup>	Target Date (Calendar Quarter)	Status
Complete testing of proprietary formulation for Esketamine to ensure appropriate dissociation effects are achieved	Q1 2024	Completed
Follow on mechanistic study of ketamine in Gambling addiction.	Q3 2024	In Progress
Sign exclusive global licensing agreement for a proprietary formulation for esketamine for Addiction, Anxiety, Eating Disorders and PTSD (AWKN-002)	Q4 2023	Completed
AWKN-001 phase III MHRA regulatory and ethics approval	Q4 2023	Completed
Zydis MDMA feasibility study stage one	Q3 2023	Completed
Zydis MDMA feasibility study stage two	Q3 2023	Completed
Complete MDMA/Zydis® feasibility study	Q4 2023	Completed
Negotiate and execute global license agreement for Zydis® and MDMA with Catalent	Q3 2024	Not Started
AWKN-001 Phase III enrollment to start	Q2 2024	Not started
IND submission to FDA for AWKN-002	Q2 2024	Not Started
Complete MDMA/Zydis® pre-clinical pharmacokinetic study	Q2 2024	Not started

(1) All milestones related to the Company's New Chemical Entity drug development have been removed as the Company is focusing its capital resources on its ketamine, esketamine, and Zydis MDMA research programs.

### **Factors Affecting the Company's Performance**

The Company's performance and future success depend on several factors. These factors are also subject to a few 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 three months ended April 30, 2024, and 2023.

During the prior year, the Company undertook an internal business optimization process to cut certain non-strategic costs and reduce overhead costs. The Company has also determined that it will focus R&D on its ketamine research as well as its Zydis MDMA research programs and has paused funding of its NCE program, while exploring strategic opportunities.

#### Revenue

	Three months ended April 30, 2024	Three months ended April 30, 2023
	(\$)	(\$)
Service revenue	20,679	11,993

Revenues of \$22,813 (2023 -\$11,993) for the three months ended April 30, 2024, were generated from the Company's licensing partners.

### Operating Expenses

Components of operating expenses were as follows:

	Three months ended April 30, 2024	Three months ended April 30, 2023
	(\$)	(\$)
Research and development	87,453	147,974
General and administration	341,185	603,810
Sales and marketing	74,596	123,338
Stock-based compensation	36,890	79,505
Depreciation and amortization	4,763	3,611
Total	544,887	958,238

The Company incurred research and development costs of \$87,453 for the three months ended April 30, 2024 (2023 - \$147,974). The Company saw a decrease of \$60,521 for the current period compared to the prior year period, as the Company focused on cost cutting and work on key projects. In general, the costs incurred in the current period related to ongoing ketamine research (such as More Kare, the work for testing the esketamine OTF and preparation for pre-IND), the Zydys feasibility study, costs associated with IP protection, and costs associated with the Company's research team.

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

	Three months ended April 30, 2024	Three months ended April 30, 2023
	(\$)	(\$)
Personnel costs	160,325	157,887
Professional fees	110,506	244,260
Office and general	70,354	201,663
Total	341,185	603,810

During the three months ended April 30, 2024, the largest component of the general and administrative costs related to personnel costs of \$160,325 compared to \$157,887 for the prior year, where the main change relates to foreign exchange as certain persons are paid in Euros and GBP.

Sales and marketing costs of \$74,596 for the three months ended April 30, 2024, related to certain PR, media, website and branding costs incurred. The decrease from the prior year period was due to cost cutting mechanisms.

Stock-based compensation costs of \$36,890 for the three months ended April 30, 2024, related to stock options vested and the associated expense recorded based on the fair value using a Black Scholes Option Pricing Model in addition to the fair value of the vesting of RSUs during the period. The main reason for the decrease was due to a higher expense related to the vesting of share options in the prior year period.

### Other expense (income)

Components of other expense (income) were as follows:

	Three months ended April 30, 2024	Three months ended April 30, 2023
	(\$)	(\$)
Other loss (income)	(2,394)	545
Finance costs	-	(66,327)
Foreign exchange loss (gain)	23,001	(323,445)
Total	20,607	(389,227)

During the three months ended April 30, 2024, the foreign exchange loss was \$23,001, which resulted from changes due to fluctuations of USD and EUR against CAD in the current period.

### **Summary of Quarterly Results**

The following table sets out selected quarterly information for the previous quarters up to April 30, 2024.

	Three months ended April 30, 2024	Three months ended January 31, 2024	Three months ended October 31, 2023	Three months ended July 31, 2023
	(\$)	(\$)	(\$)	(\$)
Revenue	20,679	21,818	28,940	24,622
Net loss from continuing operations attributable to shareholders	(544,815)	(1,041,006)	(647,234)	(1,151,404)
Net income (loss) from discontinued operations attributable to shareholders	-	15,901	-	(598,803)
Basic and diluted net loss per share attributable to shareholders – continuing operations	(0.01)	(0.03)	(0.02)	(0.04)
Basic and diluted net loss per share attributable to shareholders – discontinued operations	-	-	-	(0.02)
Total assets	218,049	543,346	1,090,695	896,472
Working capital (deficit)	(1,865,745)	(1,577,259)	(999,754)	(1,181,978)
Long-term liabilities	Nil	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil	Nil

\*Figures have not been restated to reflect discontinued operations for the noted numbers and periods.

	Three months ended April 30, 2023	Three months ended January 31, 2023	Three months ended October 31, 2022	Three months ended July 31, 2022
	(\$)	(\$)	(\$)	(\$)
Revenue	11,993	Nil	Nil	Nil
Net loss from continuing operations attributable to shareholders	(557,017)	(782,231)	(854,126)	(1,503,031)
Net loss from discontinued operations attributable to shareholders	(1,031,966)	(1,872,965)	(616,798)	(796,214)
Basic and diluted net loss per share attributable to shareholders – continuing operations	(0.02)	(0.03)	(0.03)	(0.06)
Basic and diluted net loss per share attributable to shareholders – discontinued operations	(0.04)	(0.07)	(0.03)	(0.03)
Total assets	4,448,239*	4,393,628*	5,793,687*	5,122,761*
Working capital (deficit)	(2,308,072)*	(1,487,649)*	(995,277)*	(1,144,198)*
Long-term liabilities	2,068,056*	1,980,482*	1,871,845*	1,564,365*
Cash dividends declared	Nil	Nil	Nil	Nil

\*Figures have not been restated to reflect discontinued operations for the noted numbers and periods.

### **Liquidity and Capital Resources**

The Company's total cash balance as at April 30, 2024 was \$120,729 (January 31, 2024 - \$407,301) and a total working deficit of \$1,865,745 (January 31, 2024 - \$1,577,259). 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 a time that sufficient revenue can be generated through its service offerings. To date, the Company has been able to raise capital through financing that will fund the Company's planned

growth and development activities. As at April 30, 2024, the Company does not have any long-term debt obligations as all were disposed of in conjunction with the disposition of the subsidiaries mentioned above.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity 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 adjusts considering the changes in its economic environment and the risk characteristics of the Company's assets.

At April 30, 2024, 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 and obtaining debt financing, 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 three months ended April 30, 2024, compared to the three months ended April 30, 2023.

	Three months ended April 30, 2024	Three months ended April 30, 2023
	(\$)	(\$)
Cash (used in) from operating activities - continuing operations	(501,254)	(361,259)
Cash (used in) operating activities - discontinued operations	-	(391,937)
Cash from investing activities - continuing operations	-	-
Cash (used in) investing activities - discontinued operations	-	(70,268)
Cash from financing activities - continuing operations	195,652	1,081,095
Cash (used in) financing activities - discontinued operations	-	(111,893)

*Cash used in operating activities from operations*

During the three months ended April 30, 2024, cash used in operating activities of \$501,254 was primarily related to the Company's focus on its research programs and other general overhead and working capital items.

*Cash from investing activities from operations*

During the three months ended April 30, 2024, cash from investing activities was \$Nil.

*Cash from financing activities from operations*

During the three months ended April 30, 2024, cash from financing activities of \$195,652 was a result of non-brokered private placements.

*Contractual obligations and commitments*

As at April 30, 2024, the payments due by period are set out in the following table:

	Total (\$)	< 1 year (\$)	2 – 3 years (\$)	4 – 5 years (\$)	After 5 years (\$)
Accounts payable and accrued liabilities	2,031,945	2,031,945	Nil	Nil	Nil
<b>Total contractual obligations</b>	<b>2,031,945</b>	<b>2,031,945</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### **Outstanding share data**

The Company's authorized share capital consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As of June 28, 2024, please see the table below for information regarding outstanding share capital of the Company.

Common shares	40,376,910
Options	2,044,828
Warrants	14,708,893
Deferred share units	526,872
Restricted share units	998,300
<b>Fully diluted share capital</b>	<b>58,655,803</b>

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 the 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. During the year, certain milestones were met resulting in the issuance of 70,000 of the shares.

The Company has also signed multiple agreements under which it has licensed certain intellectual property to third parties. In return for the intellectual property that has been licensed, the Company received a revenue share of income generated via the use of the intellectual property.

### **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 periods ended April 30, 2024 and 2023, the Company had the following related party transactions:

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

	<b>Three months ended April 30, 2024</b>	Three months ended April 30, 2023
Short-term compensation	\$ 188,600	\$ 338,892
Share-based payments	31,517	70,774
<b>Total</b>	<b>\$ 220,117</b>	<b>\$ 409,666</b>

- (b) As at April 30, 2024, a balance of \$234,324 (January 31, 2024 - 343,127) 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 requires the use of significant estimates and assumptions, such as estimated growth rate, margins and discount rates.

### *Contingent consideration*

Management is required to make several estimates in calculating the fair value of contingent consideration. These estimates include several 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.

### Standards issued and adopted

During the period ended April 30, 2024, the Company adopted certain IFRS amendments. The application of these amendments had no significant impact on the Company's financial position or results of operations. As required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the nature of these changes is disclosed below:

#### *IAS 1, Presentation of financial statements ("IAS 1")*

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.

#### *IFRS 16 – Leases ("IFRS 16")*

In September 2022, the IASB issued amendments to IFRS 16, Leases, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the financial statements.

## **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 April 30, 2024, both the carrying and fair value amounts of all the Company's financial instruments are approximately equivalent due to their short-term nature.

## **Risk Management**

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

### *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 of April 30, 2024, is the carrying value of cash, accounts receivable 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:

<b>As at April 30, 2024</b>	<b>Total</b>	<b>Less than</b>	<b>1 year to</b>	<b>3 year to</b>	<b>Over</b>
	<b>\$</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>5 years</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	2,031,945	2,031,945	-	-	-
	<b>2,031,945</b>	<b>2,031,945</b>	-	-	-

### 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.

<b>Base currency</b>	<b>Total financial instruments in base currency</b>	<b>% change in exchange rate</b>	<b>Total impact on net loss</b>
GBP	(210,575)	10%	(35,473)
EUR	759	10%	111
USD	(106,148)	10%	(14,591)

### 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.