CSE FORM 2A

LISTING STATEMENT

SILO WELLNESS

SILO WELLNESS INC.

Reverse Takeover by FlyOverture Equity, Inc., carrying on business under the name "Silo Wellness", of Yukoterre Resources Inc.

March 3, 2021

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<u>Exhibits</u>

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Exhibit "B"- Financial Statements and Management's Discussion and Analysis of Silo.

Exhibit "C"- Pro Forma Financial Statements the Resulting Issuer.

a) Glossary

The following terms have the meanings set out below.

Amalgamation	means the amalgamation of Yukoterre Subsidiary with Silo to form a wholly-owned subsidiary of the Resulting Issuer, being Amalco, whereby all of the issued and outstanding shares of Silo were exchanged for the Payment Shares in accordance with the Amalgamation Agreement and which constituted a reverse takeover.
Amalco	means Silo Psychedelics, Inc., the company formed pursuant to the Amalgamation.
Amalgamation Agreement	means the Amalgamation Agreement dated August 25, 2020 and amended on October 8, 2020, December 30, 2020 and February 4, 2021 between the Issuer, Silo, and Yukoterre Subsidiary with respect to the Amalgamation.
BCBCA	means the *Business Corporations Act* (British Columbia), as amended, together with its regulations.
Board of Directors	means the board of directors of the Issuer.
Closing	means the completion of the Transaction.
Closing Date	means the day upon which the Closing occurs.
Common Share	means a common share in the capital of the Issuer or the Resulting Issuer, as the context requires.
Division Mountain Property	means the coal exploration licenses owned by Yukoterre and located approximately 90 km north-northwest of Whitehorse and 290 km from tidewater at Skagway, Alaska.
Escrow Agent	means TSX Trust Company.
Escrow Agreement	means the escrow agreement dated as of March 1, 2021 among the Resulting Issuer, the Escrow Agent, and the holders of the Transaction Escrowed Shares, providing for the escrow of the Transaction Escrowed Shares, as disclosed in "Section 11 – Escrowed Securities".
Exchange or the CSE	means the Canadian Securities Exchange.
Exchange Requirements	means the by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.
Final Exchange Bulletin	means the bulletin which is issued by the Exchange following closing of the Transaction and the submission of all required documentation that evidences the Exchange's acceptance of the Transaction and the listing of the Resulting Issuer on the Exchange.
Functional Mushroom	means non-psychoactive adaptogenic mushrooms including chaga, cordyceps, lion's mane, reishi and turkey tail species of mushrooms that are free of psilocybin, which is the naturally occurring hallucinogen that is found in certain mushrooms.

GMR Payments	means the guaranteed minimum royalty payments payable by the Resulting Issuer to the Licensor under the License Agreement as follows: 1) US$500,000 within 10 days following the completion of Closing. 2) For the year commencing on August 1, 2021 and ending on July 31, 2022, US$600,000 to be paid in equal quarterly installments by 15 days after the end of each calendar quarter, with payment deferred until the earlier of 13 months from the issuance of the Final Exchange Bulletin and April 30, 2022. At such time, or in the event that the Resulting Issuer completes a debt or equity financing following the issuance of the Final Exchange Bulletin, all royalty payments then owing shall be payable, and any further payments not yet owing shall be made in equal installments for the remainder of this term. 3) For the year commencing on August 1, 2022 and ending on July 31, 2023, US$750,000 to be paid in equal quarterly installments by 15 days after the end of each calendar quarter. 4) For the year commencing on August 1, 2023 and ending on July 31, 2024, US$900,000 to be paid in equal quarterly installments by 15 days after the end of each calendar quarter. 5) For the year commencing on August 1, 2024 and ending on July 31, 2025, US$1,000,000 to be paid in equal quarterly installments by 15 days after the end of each calendar quarter.
IP	means intellectual property.
Issuer or Yukoterre	means Yukoterre Resources Inc., a corporation governed by the OBCA, prior to the completion of the Transaction.
License Agreement	means the license agreement dated November 20, 2020 between Silo and Marley Green LLC, a well-known cannabis and lifestyle brand, for a line of Functional Mushroom and psilocybin micro-dosing products effective through July 31, 2025.
Listing Statement	means this Listing Statement.
MD&A	means management's discussion and analysis of financial condition and operating results.
Name Change	means a change of the Issuer's name from "Yukoterre Resources Inc." to "Silo Wellness Inc.".
OBCA	means the *Business Corporations Act* (Ontario), as amended, together with its regulations.
Option Agreements	means agreements pursuant to which stock options have been granted under the Issuer's Option Plan.
Option Plan	means the stock option plan of the Issuer.
Payment Shares	means the 35,066,730 Common Shares issued by the Resulting Issuer to the Silo Shareholders in exchange for all of the Silo Shares.
Person	means a company or an individual.
Private Placement	means the private placement by Silo of 20,311,328 units at a price per unit of C$0.25 for aggregate cash proceeds to Silo of C$5,077,832, with each unit consisting of one Silo Share and one half of one warrant to purchase Silo Shares at an exercise price of $0.33 for a period of two years from Closing.

Psychedelic Mushrooms	means mushrooms that contain psilocybin, which is a naturally occurring hallucinogen that is found in certain mushrooms.
Resulting Issuer	means the Issuer following the Closing, to be known as Silo Wellness Inc.
Schedule I	means a controlled substance listed under Schedule I of the *Controlled Substances Act* in the United States.
Schedule III	means a controlled substance listed under Schedule III of the *Controlled Substances Act* in the United States.
Shareholders	means Persons holding Common Shares.
Share Consolidation	means the share consolidation of all of the issued and outstanding common shares of Yukoterre on the basis of one half (0.50) of a post-Consolidation common share for every one (1) pre-Consolidation common share held, immediately prior to the Closing of the Transaction.
Silo	means FlyOverture Equity, Inc., a corporation governed by the BCBCA, and doing business under the name "Silo Wellness".
Silo Shares	means the common shares in the capital of Silo.
Silo Shareholders	means, collectively, the shareholders of Silo prior to the completion of the Transaction.
SW Holdings	means SW Holdings Inc., a wholly-owned subsidiary of Silo incorporated in Oregon.
Transaction	means, collectively, the transactions disclosed herein, including the Amalgamation, the Private Placement, the Yukoterre Spin-Out, the Share Consolidation and the Name Change.
Transaction Escrowed Shares	means 17,166,666 Common Shares of the Resulting Issuer escrowed pursuant to Exchange Requirements. See "Section 11 – Escrowed Securities".
Yukoterre Spin-Out	means the disposition of the Division Mountain Property by Yukoterre to occur on Closing.
Yukoterre Subsidiary	means 1261466 BC Ltd., a wholly-owned subsidiary of Yukoterre.

All references to "USD" or United States dollars in this Listing Statement refer to United States dollars. As of the date hereof, one Canadian dollar is worth approximately USD$0.78 and one United States dollar is worth approximately CAD$1.28.

b) Caution Relating to Forward-Looking Information

This Listing Statement contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "forward-looking statements"). Such forward- looking statements are based on expectations, estimates and projections as at the date of this Listing Statement or the dates of the documents incorporated herein, as applicable. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Silo, Yukoterre or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In particular, the Resulting Issuer will be subject to the following risk factors set forth below and elsewhere in this Listing Statement as a result of the matters set out or incorporated by reference in this Listing Statement generally and certain economic and business factors, some of which may be beyond the control of the Resulting Issuer. The Resulting Issuer does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the security holders of the Resulting Issuer should not place undue reliance on forward-looking statements.

In addition, this Listing Statement contains forward-looking statements are based on a number of material factors and assumptions concerning the actual market for Functional Mushroom products and wellness retreats, the ability of the Resulting Issuer to scale, market and distribute its products and services and that there will be no material changes to the applicable regulatory regimes in the jurisdictions where the Resulting Issuer intends to conduct its business. The list of risk factors set out in this Listing Statement is not exhaustive of the factors that may affect any forward-looking statements of the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain.

With respect to forward-looking statements contained in this Listing Statement, assumptions have been made based on information available at the time when such statements were made, including known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, regarding, among other things: the ability of the Resulting Issuer to market and distribute its Functional Mushroom products from its e-store www.siloreboot.com, to establish a customer base, to staff, market and execute its wellness retreats in Jamaica and Oregon, to provide consistent supply of mushrooms, as well as regulatory uncertainty regarding psychedelics, including psilocybin. Actual results of the Resulting Issuer could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth elsewhere in this Listing Statement.

Actual results, performance or achievement could differ materially from those expressed herein. While the Resulting Issuer anticipates that subsequent events and developments may cause its views to change, the Resulting Issuer specifically disclaims any obligation to update these forward-looking statements, except as otherwise required by applicable securities laws. These forward-looking statements should not be relied upon as representing the Resulting Issuer's views as of any date subsequent to the date of this Listing Statement. Although the Resulting Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The factors identified above are not intended to represent a complete list of the factors that could affect the Resulting Issuer. Additional factors are noted in this Listing Statement under "Risk Factors".

2. **Corporate Structure**

2.1 *Corporate Name and Address*.

The head and registered office of the Resulting Issuer is located at 65 Queen Street West, Suite 900, Toronto, Ontario, M5H 2M5.

2.2 *Incorporation Statue and Amendments*.

<u>Yukoterre</u>

The Issuer was incorporated under the name 2460344 Ontario Inc. on February 8, 2017 under the OBCA. By articles of amendment dated October 25, 2017, the name of the Issuer was amended to “Yukoterre Resources Inc.”. The Common Shares of the Issuer were approved for trading on the Exchange on September 25, 2019.

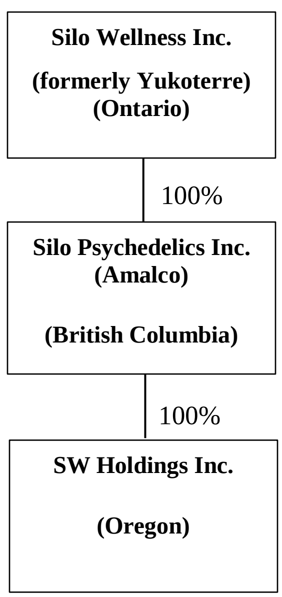
Other than as set out herein, no material amendments have been made to the Issuer’s articles or other constating documents in the last ten (10) years preceding the date of this Listing Statement.

<u>Silo</u>

Silo was incorporated under the name Eighteen Fifty Equity, Inc. on November 20, 2018 under the BCBCA. By articles of amendment dated June 27, 2019, the name of the Issuer was amended to “FlyOverture Equity, Inc.”. SW Holdings, a company formed under the laws of Oregon on May 14, 2019, became a wholly-owned subsidiary of Silo on September 15, 2019, following the closing of a series of acquisitions of all of the common shares of SW Holdings.

2.3 *Intercorporate Relationships*

Following the completion of the Transaction, the corporate structure of the Resulting Issuer is as follows:



2.4 *Intercorporate Relationships Before and After the Completion of the Proposed Transaction.*

Prior to the completion of the Transaction, Silo and Yukoterre each had one 100% directly wholly-owned subsidiary, being SW Holdings and Yukoterre Subsidiary, respectively. Pursuant to the Amalgamation, Yukoterre Subsidiary amalgamated with Silo to form Amalco.

2.5 *Issuers Incorporated Outside of Canada*

Not applicable.

3. General Development of the Business

3.1 *General Development of the Issuer's Business Over its Three Most Recently Completed Financial Years.*

Yukoterre

Yukoterre was an independent Canadian coal exploration company focused on pursuing the exploration, evaluation and development of resource assets. Yukoterre Resources Inc., formerly 2560344 Ontario Inc., was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation, dated February 8, 2017, and on October 25, 2017 was renamed "Yukoterre Resources Inc." The principal activity of Yukoterre was the exploration and evaluation of coal.

On August 8, 2017, Yukoterre entered into a purchase agreement with PitchBlack Resources Ltd. in respect of the purchase of the Division Mountain Property in the Yukon Territory. The Division Mountain Property is located 90 km northwest of Whitehorse in Yukon Territory. The purchase included a total of 15 coal licenses (CYW0143 to CYW0157) and five coal leases. In late 2018, Yukoterre renewed four of the coal licenses (CYW0154 to CYW0157) which covers the Division Mountain Property. The remaining coal licenses, which covered areas outside of the Division Mountain Property, were allowed to lapse.

Following the acquisition of the Division Mountain Property, Yukoterre was focused on (a) reviewing historical drill reports and technical reports in respect of the Division Mountain Property to identify areas warranting further exploration and development and (b) conducting a drilling program in the northeast corner of Pit 4 of the Division Mountain Property to test the possible extension of coal seams in the area and to verify pit wall boundaries. In 2018, Yukoterre conducted a total of four (4) rotary air blast drill holes for a total of 409 feet at a cost of $109,838 CAD. In the second half of 2019, Yukoterre completed the Phase 1 exploration plan for the Division Mountain Property (the "Phase 1 Exploration Program"). Five trenches were completed in the south-eastern area of Pit 4, of which four encountered coal seams that were of wider intervals at surface than noted in other areas examined. Coal samples were collected from each of the four trenches in one meter sections for testing and currently stored in Whitehorse, Yukon Territory. The Phase 1 Exploration Program expanded the known coal extents for an additional 50 meters in width and in excess of 150 meters in strike length at surface. Additional work was also performed to removed old camp buildings to reclaim the site at the Division Mountain Property. The Phase 1 Exploration Program was completed on-budget. Following the completion of the Phase 1 Exploration Program, Yukoterre was focused on reviewing the results of the Phase 1 Exploration Program.

As a condition to completing the Transaction, Yukoterre sold the Division Mountain Property pursuant to the Yukoterre Spin-Out, including all associated mineral claims, mineral leases and environmental liabilities, and therefore has no further mineral exploration interests.

Silo

Description of the Business

Silo was incorporated in 2018. The mission of Silo is to improve health and wellness by developing and introducing psychedelic medicine to reduce trauma and increase performance, by destigmatizing the active compounds in psychedelics and innovating ease of administration and ingestion. Silo intends to introduce new, safe, and affordable alternatives to current medicines by facilitating entry into new and emerging markets where psychedelics are legal, by conducting wellness retreats, including psilocybin retreats (psilocybin is a naturally occurring hallucinogen that is found in Psychedelic Mushrooms) in Jamaica and Ketamine-assisted wellness retreats in Oregon (Ketamine is a Schedule III controlled substance that is further described herein). Additionally, Silo intends, with a branding partner, to launch, sell and distribute a new brand of Functional Mushroom products that are free of psilocybin and other controlled substances adjacent to the existing Silo house brand of Functional Mushroom products.

Silo has earned very limited revenue to date, but instead has focused on the development of its three main platforms as follows:

1) Psilocybin-Free Functional Mushroom Tinctures

Silo has developed and launched an e-commerce online sales platform located at www.SiloReboot.com for psilocybin-free Functional Mushroom extracts, which are sold in solvent concentrations known as tinctures. In connection with the preparation of this website, Silo has established a manufacturing partner based in California and is testing its supply chain, extraction, bottling, packaging, order fulfillment relationships and infrastructure for such psilocybin-free Functional Mushroom tinctures, and has progressed in establishing an inventory of psilocybin-free products to be sold online. Silo has utilized this platform for research purposes to establish the system for co-packing, marketing and distribution that will be launched with a new licensed brand utilizing the proceeds from the Private Placement. The launch of its Functional Mushroom tinctures has been conducted to initiate preliminary market entry, gather data and optimize its processes in anticipation of launching products, both under its own name and with its branding partner. On November 20, 2020, the parties executed a definitive License Agreement with Marley Green LLC effective through July 31, 2025 with automatic renewal if total net sales during initial term exceed USD $15,000,000, and licensee is not otherwise in material breach.

This infrastructure development has been accompanied by branding through viral social media coverage. As of August 2020, there were over 800,000 trackable organic social media reactions and shares of third-party articles regarding Silo, generating considerable inbound links to www.SiloWellness.com.

Silo intends to increase its sales and marketing activities following the Transaction and the implementation of its branding partnership. Silo entered into a License Agreement on November 20, 2020 with Marley Green LLC, an internationally known branding partner, a well-known cannabis and lifestyle brand with over 100 million social media followers (across all platforms). The License Agreement will provide recognizable branding for Silo's Functional Mushroom products as well as psilocybin micro-dosing products to be launched in the future. The License Agreement grants the use of the licensing partner's name and will establish a suite of brands adjacent to the Silo house brand of products. Silo intends to use US$500,000 of proceeds from the Private Placement as a royalty advance. Additionally, 2,000,000 Silo Shares were issued upon execution of this letter of intent. The License Agreement is effective through July 31, 2025 with automatic renewal if total net sales during the initial term exceed USD $15,000,000, and the licensee is not otherwise in material breach. The License Agreement permits the use of the name of the branding partner for products including psychedelic, medical or nutraceutical functional mushrooms in territories where such products are permitted by law. The License Agreement pays the branding partner royalties of 10% of net sales of licensed products, including guaranteed minimum royalties in the form of the GMR Payments during the term of the agreement. The agreement also has commitments by Silo for advertising, distribution and charitable payments.

2) Psilocybin-Based Nasal Spray

Silo has developed and finalized of the formulation of a psilocybin nasal spray in Jamaica, where such psychedelic compounds are legal. In addition, Silo has managed SW Holdings' IP related to this psilocybin nasal spray via the filing of provisional and non-provisional patent applications in the United States. Although psilocybin and other psychedelics substances are Schedule I controlled substances, there are no legal impediments to patent issuance for Schedule I controlled substances. The ability to patent inventions related to scheduled controlled substances was most evident in the cannabis industry that saw many issued patents following federal prohibition. For example, the United States federal government's own National Institute on Drug Abuse, the government agency responsible for studying and controlling drug abuse, was granted a patent in 2003 after their discovery that cannabinoids have some legitimate medical uses. See PCT/US99/08769 (Patent No. 6,630,507) (https://bit.ly/USPO6630507). An example of a metered-dosing patent in the cannabis space includes the now-expired 2003 issuance to Virginia Commonwealth University for Δ9-tetrahydrocannabinol (Δ9 THC) to be delivered by metered dose inhalers. See US09/273,766 (Patent No. 6,509,005B1) (https://patents.google.com/ patent/ US6509005B1).

3) Jamaican and Oregon Wellness Retreats and Jamaican Cultivation

In connection with the development the products outlined above, Silo has signed agreements to offer psilocybin retreats in Jamaica known as wellness retreats. These Jamaican retreats have been introduced through an online marketing platform found at www.SiloRetreats.com. Silo has an existing supply agreement and has also commenced cultivation, production and wholesale distribution in Jamaica of Psychedelic Mushrooms. Silo operates its Psychedelic Mushroom business solely in Jamaica. . No psilocybin products or retreats are produced, sold or otherwise handled by Silo in the United States or any jurisdiction other than Jamaica.

Additionally, Silo held its initial ketamine-assisted wellness retreat in Oregon under the care of Dr. Matthew Hicks, ND, MS from January 16 to 21, 2021. The Oregon ketamine-assisted wellness retreat establishes a United States base to meet the needs of those suffering from emotional, spiritual or psychological pain but unable to make a trip to Jamaica to experience psilocybin. The Oregon retreat was also marketed through www.SiloRetreats.com.

In the United States, ketamine is a Schedule III controlled substance. Pursuant to 21 U.S. Code § 812(b)(3), Schedule III means the drug or substance has a low to moderate potential for physical and psychological dependence. Other examples of Schedule III substances include products containing less than 90 mg of codeine per dosage unit (e.g. Tylenol with Codeine), anabolic steroids, and testosterone. A Schedule III drug's abuse potential is less than Schedule I and Schedule II drugs but more than Schedule IV. To obtain ketamine, the prescribing physician must have an active Drug Enforcement Administration ("**DEA**") license. The sub anesthetic use of ketamine for certain mental health conditions is a permitted off-label use by a prescribing physician.

The U.S. Food & Drug Administration (the "**FDA**") conducts a careful evaluation of the risks and benefits prior to approving a prescribed drug for so-called approved use. Unapproved uses of prescribed drugs are lawful and are often called "off label" use. This means that they can be legally used for a disease or medical condition that has not been approved by the FDA only if prescribed by a physician.[1] This is a very common practice as one in five prescriptions in the United States are for off-label use.[2]

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[1] See U.S. Food & Drug Admin., "Understanding Unapproved Use of Approved Drugs Off Label," Learn About Expanded Access and Other Treatment Options (Feb. 5, 2018) (https://www.fda.gov/ patients/ learn-about-expanded- access-and-other- treatment-options/ understanding-unapproved-use-approved-drugs-label).

[2] See Clancy, Carolyn M., M.D., "Off-Label Drugs: What You Need to Know," Navigating the Healthcare System, U.S. Dept. of Health & Human Services, Agency for Healthcare Research and Quality (Apr. 21, 2009) (https://archive.ahrq.gov/ news/columns/ navigating-the-health-care-system/ 042109.html).

History Since Inception

On July 4, 2019, co-inventors Michael Arnold and Michael Hartman filed with the United States Patent and Trademark Office Provisional Application No. 62/870,722, a provisional patent application for its psilocybin metered-dosing nasal spray entitled “METERED DOSING COMPOSITIONS OF PLANT AND FUNGAL COMPOUNDS FOR ORAL, NASAL, SUBLINGUAL, AND TOPICAL USE.” SW Holdings, is the assignee of this provisional patent application.

On December 3, 2019, Silo announced commencement of development of the psilocybin nasal spray in Jamaica in support of proof of concept and of the provisional patent application previously filed. It also launched its website www.SiloWellness.com. Jamaica is the closest country to the United States and Canada where both cultivation, manufacture and sale of Psychedelic Mushrooms and the extraction of psychedelic compounds, such as psilocybin, are not illegal.

On December 15, 2019, Silo entered into a supply agreement for Psychedelic Mushroom with a Jamaican seller to originate and exclusively supply the company with locally foraged *panaeolus cyanescens* (also known as *copelandia cyanescens*) psilocybin-containing mushrooms for US$10 per gram. The duration of the agreement is for 24 months and may be terminated buy Silo unilaterally at any time without cause.

On January 30, 2020, Silo entered into one-year lease agreement for psilocybin mushroom production and product development operations in Jamaica for US$2,200 per month. This contract renews automatically unless otherwise terminated with 30-days written notice. Silo is actively seeking alternative properties for its operations which may provide improved lease terms. Also in January 2020, Silo entered into an exclusive supply agreement with a cultivator in Jamaica to produce psilocybin-containing mushrooms, initially to supply its Psychedelic Mushroom retreat operations that are being offered through www.SiloRetreats.com. Silo agreed to pay the costs associated with production in exchange for options to purchase Silo Shares. On September 1, 2020, that agreement was superseded by an 18-month agreement to supervise Jamaican cultivation and assist with ongoing business development. Compensation was comprised of the issuance of 75,000 Silo Shares at a deemed issuance price of US$0.10 per share and US$2,900 per month in cash compensation.

Additionally, on September 1, 2020, Silo entered an exclusive supply agreement with an additional cultivator for a one-year term to supply a minimum of four pounds of Psychedelic Mushrooms per month for US$350/lb. For the next four pounds, Silo has agreed to pay US$200/lb. For any mushrooms produced over eight pounds, Silo has the right of first refusal to purchase such mushrooms at US$200/lb. to be exercised within 30 days of notice of excess produced above the eight pound mark. If Silo does not exercise its right of first refusal within 30 days, the seller may sell the product to any third party, subject to sharing 50% of such revenue with Silo.

On April 27, 2020, Silo entered into a letter agreement with a Jamaican resort as a site of its luxury wellness retreat centre in Jamaica located in Westmoreland Parish, Jamaica. The letter agreement requires the resort to provide access to all standard services as provided at the retreat facility, including accommodation, transport, food, and guest services, for an average introductory price of US$300 per night per room, with an initial commitment by Silo for seven rooms for seven nights in February 2021. This agreement can be terminated at-will by either party (the “**Westmoreland Lease**”). Given the surplus of unleased villas and resort space in Jamaica given the COVID-related economic impacts, the company intends to investigate alternative properties with improved lease terms and does not anticipate any impediments to its business model by seeking an alternate resort site. Silo has also entered into a lease agreement for a villa for retreats located in Saint James Parish, Jamaica, through January 31, 2021, for $2,200 USD per month, which is subject to automatic renewal and may be terminated by either party upon 30-days written notice (the “**Saint James Lease**”). This villa has four bedrooms for clients and a large outdoor space. This villa, or other such retreat sites, enables Silo to host individual retreats serially over time onsite.

On July 3, 2020, Silo filed its non-provisional utility patent application for the psilocybin metered-dosing nasal spray with the United States Patent and Trademark Office Provisional referencing the July 4, 2019, priority date (INTERNATIONAL APPLICATION NUMBER PCT/US20/40826) entitled “METERED DOSING COMPOSITIONS AND METHODS OF USE OF PSYCHEDELIC COMPOUNDS” with SW Holdings as the assignee and sole owner of the IP. The PCT number references the international patent application status afforded by the Patent Cooperation Treaty.

On July 10, 2020, Silo entered into a letter agreement with the experienced Ketamine clinic operators of the AIMS Institute of Seattle, Washington, to advise in the development, marketing and launch of an Oregon ketamine-assisted nature retreat. The physicians agreed to be medical advisors to Silo and shall enter into a commercially reasonable agreement regarding the same post-listing. They are currently advising at-will as needed with no compensation.

On August 1, 2020, Silo entered into an agreement with an Oregon retreat property to reserve it as a site for an initial wellness retreat held in January 2021 for US$1,425 per night for lodging for up to 12 guests.

On August 14, 2020, Silo entered into an exclusive non-binding letter of intent through November 30, 2020 with a well-known cannabis and lifestyle brand with a significant social media following of over 100 million followers (across all platforms) for a line of Functional Mushroom and psilocybin micro-dosing products. Silo intends to use US$500,000 of proceeds from the Private Placement as a royalty advance. Additionally, 2,000,000 Silo Shares were issued upon execution of this letter of intent. On November 20, 2020, the parties executed a definitive License Agreement effective through July 31, 2025 with automatic renewal if total net sales during initial term exceed USD $15,000,000, and licensee is not otherwise in material breach. This agreement permits Silo to launch its Functional Mushroom product line under the branding partner’s name as well as to launch a line of psilocybin micro-dosing products utilizing the ecommerce platform and system developed in 2020 with a fully funded marketing effort.

On November 3, 2020, voters in the state of Oregon passed Oregon’s Measure 109 which, among other things, authorizing the Oregon Health Authority to permit licensed service providers to administer psilocybin in therapeutic settings after a two-year rulemaking development period. Notwithstanding that it remains a Schedule I controlled substance in the U.S., the passing of Measure 109 permits the development of a state regulatory regime for psilocybin. The State legalization of psilocybin in Oregon is similar to the state-by-state legalization of adult-use cannabis which, similar to psilocybin, remains federally illegal. Silo does not intend to deal with psilocybin in the U.S. in the foreseeable future.

Amalgamation Agreement

On June 16, 2020, Silo and the Issuer entered into a letter of intent to complete the Transaction, which was subsequently superseded by the Amalgamation Agreement dated August 25, 2020, as amended. The Transaction was an arm’s length transaction which resulted in the former Silo Shareholders, including those who participated in the Private Placement, holding approximately 91.6% of the Common Shares of the Resulting Issuer, while former shareholders of Yukoterre own approximately 8.4% of the Common Shares of the Resulting Issuer. Pursuant to terms of the Amalgamation Agreement, Yukoterre issued the Payment Shares, being one Common Share of the Resulting Issuer in exchange for each Silo Share at a deemed issuance price of $0.20 per share, as well as completed the Name Change, the Share Consolidation and the Yukoterre Spin-Out. In addition, Silo completed the Private Placement. The completion of the Transaction was subject to the satisfaction of customary closing conditions, including the receipt of all required approvals and consents relating to the Transaction, including without limitation all approvals of the shareholders of Yukoterre and Silo, as required by the CSE and under applicable corporate or securities laws.

Product Offering

Silo's online store, www.siloreboot.com, offers sixteen Functional Mushroom tinctures (eight formulations presently offered in two sizes each). Such Functional Mushroom tinctures use triple extraction methodology (fermentation and hot-water extraction followed by alcohol extraction). The Functional Mushroom tinctures can be added directly to foods or beverages, such as coffee, or placed under the tongue. The Silo e-store features well-known Functional Mushroom varieties, including Lion's Mane, Cordyceps, Chaga, Reishi and Turkey Tail, as well as a mushroom blend tinctures.

In addition to its line of Functional Mushroom tinctures, Silo offers psilocybin wellness retreats. Psilocybin retreats in Jamaica may have various focusses, including wellness retreats, writers' retreat, mushroom growing, and a gratis retreat for military veterans. Silo also offers a ketamine-assisted wellness nature retreat in Oregon. They are marketed through www.SiloRetreats.com. The retreats are currently being marketed and the first retreat was held on January 16 – 21, 2021.

As mentioned above, Silo has also developed and has a U.S. patent-pending psilocybin metered-dose nasal spray. The product research, development, extraction, and user testing were conducted in Jamaica, where psilocybin is lawful.

3.2 *Significant Acquisitions*

Share Consolidation

Immediately prior to the closing of the Transaction and in accordance with Shareholder approval, Yukoterre effected the Share Consolidation and consolidated the Common Shares on the basis of one new Common Share for every two old Common Shares.

Amalgamation

The Issuer and Silo completed the Amalgamation whereby Yukoterre Subsidiary amalgamated with Silo to form Amalco and became a wholly-owned subsidiary of the Resulting Issuer. Pursuant to the Amalgamation, the Resulting Issuer acquired and held all of the Silo Shares in exchange for the Payment Shares. All of the Payment Shares issued to Silo Shareholders were issued pursuant to exemptions from the registration and prospectus requirements of applicable securities laws. The Payment Shares were subject to resale and escrow restrictions as required under the applicable securities legislation and by the Exchange. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of the Resulting Issuer.

Please see Exhibit "B" to this Listing Statement for financial statements of Silo as well as pro forma financial statements of the Resulting Issuer contained as Exhibit "C" hereto.

Private Placement

As a condition to Closing, Silo completed a Private Placement of 20,311,328 Silo units, with each unit consisting of one Silo Share and one half of one warrant to purchase Silo Shares at an exercise price of $0.33 for a period of two years from Closing, at a purchase price of C$0.25 per unit for aggregate gross proceeds of C$5,075,832.

Effect of the Transaction

As a result of the Transaction. Silo amalgamated with Yukoterre Subsidiary to form Amalco, the Resulting Issuer owns all the issued securities of Amalco as a wholly-owned subsidiary, the Silo Shareholders received the Payment Shares; and the business of Silo became the business of the Resulting Issuer. The former Silo Shareholders, including those who participated in the Private Placement, hold approximately 91.6% of the Common Shares of the Resulting Issuer, while the former shareholders of Yukoterre hold approximately 8.4% of the Common Shares of the Resulting Issuer.

Related Party Considerations

The Transaction was negotiated by the parties dealing at arm's length with each other and therefore was an arm's length transaction.

3.3 *Trends and Uncertainties*

There are significant risks associated with the business of the Resulting Issuer, as described above and in *Section 17 – Risk Factors*. Readers are strongly encouraged to carefully read all of the risk factors contained in *Section 17 – Risk Factors.* In addition, please see the forward-looking statements that are outlined commencing on page 6 of this Listing Statement.

4 Narrative Description of the Business

General

The business of Silo is to improve health and wellness by developing and introducing psychedelic substances to reduce trauma and increase performance, by destigmatizing the active compounds in psychedelics and innovating ease of administration and ingestion. Silo intends to introduce new, safe, and affordable alternatives to current medicines by facilitating entry into new and emerging markets where psychedelics are legal, by conducting wellness retreats, and elsewhere, by manufacturing and distributing Functional Mushrooms that are free of psilocybin and other controlled substances. Psilocybin is the naturally occurring hallucinogen that is found in certain mushrooms.

Since November 20, 2018 (the incorporation date of Silo) until the period ended October 31, 2020, Silo has incurred US$2,732,733 in expenses related to the development of its business. Of such expenses, approximately US$1,654,528 were incurred with arm's length parties and US$1,078,205 were incurred with non-arm's length parties. Expenses include product and intellectual property development, corporate and business development in Jamaica and the United States, e-commerce development and marketing costs and general and administrative expenses.

Silo has invested in its brand since inception and the brand carries recognition in its targeted demographic as an early mover in the psychedelics space and for being a retail brand focused on consumer and patient accessibility. Silo has earned very limited revenue to date, but has instead focused on developing its business into three main platforms as follows:

1) Psilocybin-Free Functional Mushroom Tinctures

Silo has developed an e-commerce online sales platform located at www.SiloReboot.com for psilocybin-free Functional Mushroom extracts, which are sold in solvent concentrations known as tinctures. In addition, Silo has engaged a California-based manufacturer and established supply chain, extraction, bottling, packaging, order fulfillment relationships and infrastructure for such psilocybin-free Functional Mushroom tinctures. It has also established an inventory of psilocybin-free products to be sold online. This infrastructure development has been accompanied by branding through viral organic social media coverage.

2) Psilocybin-Based Nasal Spray

Silo has also worked on the development and finalization of the formulation of a psilocybin nasal spray in Jamaica, where such psychedelic compounds are legal. In addition, Silo has managed SW Holdings' IP related to this psilocybin nasal spray via the filing of provisional and non-provisional patent applications in the United States. Silo formulated a metered-dose nasal spray in Jamaica in 2019 after filing a provisional application for a patent referencing the same in July 2019 in the United States. Thereafter, on July 3, 2020, the company filed a non-provisional utility patent regarding this formulation in the United States. The non-provisional International Patent Application Number PCT/US20/40826 was filed pursuant to the Patent Cooperation Treaty.

Jamaica is not yet a member of the Patent Cooperation Treaty (the "**PCT**").[3] However, Jamaica has tabled the Patent Act, which when it is signed into law by the Governor General, will see Jamaica joining the PCT. Although the Intellectual Property Office of Jamaica has stated that the law would come into effect before the end of the 2020, it has not yet been passed as at the date of this Listing Statement.

Silo has retained Jamaican local counsel to prepare a power of attorney to file the United States patent application in Jamaica. This requires stamping and registration at what is called the Island Records Office. Thereafter, Silo files the patent at the Jamaica Intellectual Property Office together with the United States application illustrating the priority date. Silo would be required to advertise the patent application in the national papers. Although an overseas grant would speed up the local examination process, it is not required. The company can file this at any time, including after a U.S. grant.

3) Oregon and Jamaican Wellness Retreats and Jamaican Cultivation

In connection with the development the products outlined above, Silo has signed an agreement and prepared for the introduction of psilocybin retreats in Jamaica known as wellness retreats. Additionally, Silo is organizing ketamine-assisted wellness retreats in Oregon under the care of Dr. Matthew Hicks, ND, MS. The Oregon ketamine-assisted wellness retreats, the first of which was held on January 16 to 21, 2021, established a United States base to meet the needs of those suffering from emotional, spiritual or psychological pain but unable to make a trip to Jamaica to experience legal psilocybin. These retreats have been introduced through an online marketing platform found at www.SiloRetreats.com.

Silo operates its Psychedelic Mushroom business solely in Jamaica. The operations in Jamaica include cultivation of Psychedelic Mushrooms and establishing wellness retreats. Silo has an existing supply agreement and has also commenced initial cultivation, production and wholesale distribution of Psychedelic Mushrooms in Jamaica. No psilocybin products or retreats are produced, sold or otherwise handled by Silo in the United States or any jurisdiction other than Jamaica. Silo produces and distributes non-psychoactive Functional Mushroom or nutraceutical tinctures in the United States. The non-psychoactive tinctures are manufactured in California and sold in the e-commerce store, with orders to be fulfilled by a third-party co-packer.

Business Objectives and Milestones

The business objective of Silo is to develop leading brands in the legal Functional Mushroom supplement and psychedelic space, which includes intellectual property, e-commerce, and wellness retreats. Silo is developing operations focused on psilocybin and other psychedelics for mental health, wellness, and performance to position itself with psilocybin retreat infrastructure in Jamaica and a ketamine-assisted wellness retreat in Oregon. For the Oregon ketamine retreat, Silo is collaborating with Portland, Oregon, ketamine clinic operator Dr. Matthew Hicks, ND, MS. Dr. Hicks brings experience in both ketamine therapy and integrative approaches to mental health care. Silo plans to rollout retreats based on compounds legal in the relevant jurisdictions where operations may take place.

The future expansion of the Resulting Issuer is expected to include the following milestones:

Business Objective	**Milestone**	**By When**	**Estimated Costs (C$)**
Marketing and Branding[(1)]	Payment of minimum royalty to branding partner	Q1 2021	$640,000
	Website development for e-commerce store	Q1 2021	$50,000

[3] See "The PCT Now Has 153 Contracting States," World Intellectual Property Organization (accessed Dec. 4, 2020: https://www.wipo.int/ pct/en/ pct_contracting_states.html).

Business Objective	Milestone	By When	Estimated Costs (C$)
	Public relations, launch and advertising for new branding	Q1 2021	$20,000
	Jamaica retreat launch and production	Q1 2021	$10,000
Expand Operations	Retain its existing supplier of Psychedelic Mushrooms in Jamaica or engage a contract manufacturer or another supplier for new product development and production for both Functional Mushrooms and Psychedelic Mushrooms in Jamaica	12 months following listing	$300,000
	Farming operations (Jamaica) - increasing the number of strains in the genetics library for cultivation, acquire and expand testing and production control systems and make leasehold improvements to the cultivation area	12 months following listing	$100,000
	Retreat operations (Jamaica)- develop a retreat app to track retreat experience and feedback and expand retreat management team	12 months following listing	$125,000
	Retail Store operation (Jamaica)- secure a retail store location and proceed with store design and build-out	12 months following listing	$150,000
New Product Development	Expand current Functional Mushroom tincture line to include additional products other than tinctures and add additional items to the online offering	Branding development to be incurred by Q1 2021	$275,000
	Packaging and branding assets	Q1 2021	$35,000
	Oregon retreat production	Q1 2021	$45,000
	Functional Mushroom and psychedelic product development	12 months following listing	$20,000
	Inventory	12 months following listing	$50,000

Note:

(1) Subject to the potential payment of GMR Payments in accordance with the terms of the License Agreement.

The above objectives may change at any time depending on market conditions. See “*Risk Factors*”.

Upon completion of the Transaction (including the Private Placement), the Resulting Issuer has the following funds available to it for the next twelve-month period:

Description of Funds	**Amount (C$)**
Estimated working capital of Yukoterre as of January 31, 2021	NIL
Estimated working capital of Silo as of January 31, 2021	$73,000
Gross proceeds of the private placement	$5,077, 832
Less: Agent commission, expenses of the transaction (legal, accounting, printing and mailing and listing fees)	$(750,000)
Total available funds	**$4,400, 832**

The Resulting Issuer will use the funds available to it upon the completion of the Transaction (including the Private Placement) to further its business objectives. Specifically, the Resulting Issuer will use the funds available to it upon the completion of the Transaction as follows:

Use of Proceeds	**Amount ($)**
Marketing and Branding	$720,000
Expansion of Operations, Including Consulting, Management, and Professional Fees	$675,000
Product development	$425,000
Repayment of promissory note	$250,000
Office and Administration	$50,000
Unallocated capital	$2,280,832[(1)]
TOTAL	**$4,400, 832**

Note:

(1) Subject to the potential payment of GMR Payments in accordance with the terms of the License Agreement, which will reduce the amount of unallocated capital accordingly.

Competition and Market Participants

Functional Mushroom Market

Within the North American food products industry, there are a number of competitors in the mushroom supplement market as further described below. These competitors offer a similar category of products as Silo, including mushroom extracts, powders, drinks and other wellness products. Using non-psychedelic ‘functional’ mushrooms, these wellness products are associated with immunity, mental stamina, cognitive clarity, detoxification and other wellness claims. Existing competitors have established product lines and customer bases through ecommerce and wholesale platforms and current revenue. In addition, some competitors have brick and mortar representation by way of product distribution in traditional grocery stores as well as branded retail outlets. In general, Functional Mushroom ingredients may be sourced from wild mushrooms, either from in-house foragers or from wholesalers, and other Functional Mushrooms may be obtained from domestic or international cultivators. Several varieties of Functional Mushrooms have been used in traditional Chinese medicine for thousands of years and well-established Asian supply chains are available.

Competitors having established strategic access to Functional Mushroom supply may, if demand exceeds supply, have an advantage in acquiring exclusive fulfilment contracts from certain suppliers in the future. It is Silo's position that despite competitors in the market, the general public awareness of Functional Mushrooms is still relatively low and the ability of the general public to identify any specific brand is even lower.

Name	**Product Line**	**Description/Footprint**
Four Sigmatic	Medicinal mushroom products, including coffees, protein powders, cacao mix and others (source: corporate website)	As of 2018, products were in 65 countries by e-commerce, affiliate marketing, Whole Foods, and Wal-Mart. (source: corporate website)
Birch Boys	Wild Healing Mushrooms foraged in the Adirondack Mountains, including Chaga, Reishi, Lion's Mane, Turkey Tail, Maitake, Artist Conk, etc. (source: corporate website)	E-commerce platform and at least one retail store in New York state. (source: corporate website)
Buddha Teas	Medicinal mushroom extracts along with tea blends (source: corporate website)	At least Eight retail stores across British Columbia and Washington State, as well as a global corporate retail/wholesale e-commerce platform (source: corporate website)
Terrasoul Superfoods	Medicinal mushroom infused coffees, teas, elixirs, extracts, chia seeds, loose tea leaves and assorted all-natural superfoods (source: corporate website)	Global corporate retail/wholesale ecommerce platform (source: corporate website)
Yield Growth Corp.	126 functional/medicinal mushroom infused product formulations (sources: corporate website and press releases)	Distribution agreements in Canada, Columbia, Brazil, Greece and Cypress, and through its distributor network has access to over 8,000 retail locations. (sources: corporate website and press releases)
Fungi Perfecti / Host Defense	Medicinal mushroom powders, capsules, and extracts. (source: corporate website)	International sales through ecommerce platform and drop shipping partners. (source: corporate website)
MUD\WTR	Coffee replacement drink featuring adaptogenic mushrooms. (source: corporate website).	Ecommerce platform and affiliate marketing. (source: corporate website).
Cybin Corp.	Trademarked brand planned to focus on developing proprietary medicinal mushroom products that target mental wellness, immune boosting, detoxification and overall general health and wellness (source: corporate website)	Planned product launch. (source: corporate website)

Jamaica Psilocybin Wellness Retreat Market

The number of competitors and the degree of competition within the Jamaican wellness retreat industry varies greatly depending on the emphasis and services, with retreats ranging from specialized yoga and meditation retreats to spas and resorts. In the psilocybin mushroom retreat segment, there are a number of competitors offering wellness retreats incorporating the use of psilocybin as further outlined below. These competitors offer a similar category of services as Silo with services including workshops, classes, and psilocybin-assisted therapy. Most competitors appear to host their events at similar beachfront or ocean adjacent locations in Jamaica.

Name	Services Offered	Footprint
MycoMeditations	Psilocybin-assisted retreats for depression and anxiety (source: corporate website and press releases).	Treasure Beach, Jamaica retreat locations (source: corporate website and press releases)
Atman Retreat	Offers a range of shared and private accommodations for safe, legal Psychedelic Mushroom retreats in Jamaica (source: corporate website)	Montego Bay Lagoon (source: corporate website
Gaia Sagrada	Offers Ayahuasca and Mescaline retreats in Ecuador and Jamaican psilocybin retreat. (source: corporate website)	Runaway Bay, Jamaica (source: corporate website)
Rise Wellness Retreat	Rise Wellness offers an all-inclusive retreat that includes workshops and classes held by certified wellness professionals and specially formulated microdoses of psilocybin (source: corporate website)	Treasure Beach, Jamaica (source: corporate website)

Oregon Ketamine-Assisted Wellness Retreat

The number of competitors and the degree of competition within the Oregon wellness retreat and resort industry varies greatly depending on the emphasis and services. There appears to be no known ketamine-assisted wellness or psychotherapy retreats in Oregon, although there are brick and mortar ketamine clinics in Oregon summarized as follows:

Name	Services Offered	Location
Rainfall Medicine Clinic	Ketamine therapy on a case by case basis for the following conditions: Depression PTSD and Anxiety Addiction Chronic pain End-of-Life Anxiety or Depression. (source: corporate website)	Portland, Oregon (source: corporate website)
Portland Ketamine Clinic	Ketamine Treatment for Depression, CRPS/RSD, PTSD (source: corporate website)	Portland, Oregon (source: corporate website)

Oregon Ketamine Clinic	Ketamine infusion therapy for the treatment of depression, anxiety, PTSD and chronic pain (source: corporate website)	Oregon City, Oregon (source: corporate website)
Field Trip Health	Ketamine clinic operator in Toronto with plans to expand (source: corporate website)	Toronto, Chicago, New York, and Los Angeles (source: corporate website)

Development of Psilocybin-Free Mushroom Tincture

Silo operates an online psilocybin-free mushroom tincture brand targeting U.S. and Canadian consumers via www.SiloReboot.com. When an order is placed, a third-party fulfilment center which holds the inventory packages and ships the product directly to the customer. Silo developed a line of psilocybin-free mushroom blend tinctures and initiated a preliminary launch via its e-commerce platform in March 2020 and aims to develop additional mushroom-related products targeted for Q1 2021. Through this preliminary launch, Silo has utilized this e-commerce platform for research purposes to test and establish the system for co-packing, marketing and distribution in anticipation of a new licensed brand launch, utilizing the proceeds from the Private Placement. Silo has not generated significant revenue to date. The brand targets health conscious consumers in the United States and also offers delivery to international clients. The branding partner is described in further detail above.

Silo has developed an annual marketing and branding budget of approximately C$250,000 a year, which was increased to C$720,000 following the completion of the Transaction. On November 20, 2020, Silo executed a definitive License Agreement with a well-known cannabis and lifestyle brand for a line of Functional Mushroom and psilocybin micro-dosing products effective through July 31, 2025 with automatic renewal if total net sales during this initial term exceed USD $15,000,000. This agreement permits Silo to launch its Functional Mushroom product line under the branding partner's name as well as to launch a line of psilocybin microdosing products utilizing the ecommerce platform and system developed in 2020 with a fully-funded marketing effort.

Additionally, approximately C$50,000 was allocated for product development, which increased to C$425,000 following the completion of the Transaction, including inventory costs. The Resulting Issuer will use its own internal expertise coupled with hiring outside technical consultants as necessary with respect to future research and development.

Silo is in commercial production of the eight formulations of Functional Mushroom tinctures in two sizes as described herein. In connection with the Licensing Agreement, Silo intends to spend a portion of the product development funds to finalize formulations of at least three initial products under that brand and accompanying product launch activities. Furthermore, Silo plans to spend up to C$720,000 which includes the marketing and branding partnership as stated above. Marketing costs include digital media strategy, search optimization, as well as developing and rolling out a potential brand ambassador program, assuming current negotiations progress to final commercial terms.

Silo's psilocybin-free products are produced by a United States based-laboratory and manufacturer with orders fulfilled and shipped directly from their warehouse to Silo's customers or shipped in bulk to Silo for fulfillment. To supply Silo's mushroom retreat operations in Jamaica that are being offered through www.SiloRetreats.com, Silo has an exclusive supply agreement with a cultivator in Jamaica who exclusively produces psilocybin-containing mushroom fruiting bodies and truffles for Silo. Psilocybin products will not be produced or sold outside of Jamaica, as psilocybin is a Schedule I controlled substance in the United States.

Raw material used in production of the Functional Mushroom tinctures are sourced in the United States using high quality ingredients as opposed to being sourced from other countries outside of North America. Ingredient shortage is a risk due to the current interest in any mushroom related health products, hence the Resulting Issuer recognizes the need in its operational strategy to diversify and add other product lines Additionally, with alcohol as an ingredient in tincture products, organically-produced ethanol supply chains could be adversely affected by increased demand for alcohol-based hand sanitizers during the COVID-19 pandemic.

Base ingredients for Functional Mushroom products are either grown indoors or are foraged and are not subject to seasonal variation other than harvest dates due to adaptation to their existing habitats for foraged mushrooms. The natural extracts have some potential research-based health benefits.[4] Their use would not be categorized as cyclical or seasonal.

There are no known environmental protection requirements in Jamaica that affect the Resulting Issuer financially and operationally or have any effect on its capital expenditures, earnings and competitive position now or in the foreseeable future. However, environmental regulation will require responsible handling and disposal of all chemicals used in the extraction and refinement of any future products, similar to those in the cannabis industry. Health regulations require safe handling procedures for all chemicals used, as well as simple safety and first aid as precautionary measures.

Development of Psilocybin Nasal Spray

The Resulting Issuer's patent-pending psilocybin nasal spray is significant to its business. Its metered dosing delivery method could be used in facilitated therapy settings in permitted jurisdictions and may be readily developed for direct-to-consumer distribution in markets outside of Jamaica if regulatory regimes permit. The Resulting Issuer filed for the following trademarks: Silo Wellness and Silo Reboot. The IP value will largely depend on whether any claims in the patent are ultimately issued, and if issued, the extent to which the IP position is defensible. Any adverse patent determination could affect the value of the asset, and a result, the value of the Resulting Issuer and its Common Shares.

Development of Wellness Retreats

On April 27, 2020, Silo entered into a letter agreement with a Jamaican resort as a site of its luxury wellness retreat centre in Jamaica located in Westmoreland Parish, Jamaica. The letter agreement requires the resort to provide access to all standard services as provided at the retreat facility, including accommodation, transport, food, and guest services, for an average introductory price of US$300 per night per room, with an initial commitment by Silo for seven rooms for seven nights in February 2021. Silo has also entered into a lease agreement for a villa for retreats located in Saint James Parish, Jamaica, through January 31, 2021, for $2,200 USD per month, which may be terminated by either party upon 30-days written notice. The lease is in good standing. Given the surplus of unleased properties on the island due to COVID-related economic impacts, Silo is currently negotiating alternative properties for potentially less rent. This villa has four bedrooms for clients and a large outdoor space. This villa, or others that may be leased in lieu of it in the future, allow for Silo to host individually retreats serially over time onsite.

In addition, on August 1, 2020, Silo entered into an agreement with an Oregon retreat property to reserve it as a site for an initial ketamine wellness retreat held in January 2021 for US$1,425 per night for lodging for up to 12 guests.

The Resulting Issuer's Jamaica wellness retreats may be subject to seasonal tourism preferences in Jamaica or dependent on weather conditions such as tropical storms and COVID-19 (or related) travel restrictions. The Resulting Issuer's Oregon wellness retreats may be subject to seasonal tourism preferences in the Pacific Northwest and COVID-19 travel or other related restrictions.

Cultivation and Distribution

For the Psychedelic Mushrooms segment of its business, Silo has an exclusive contract with a psilocybin mushroom cultivator in Jamaica with an active cultivation operation, with the intended use for such mushrooms being the Resulting Issuer's wellness retreats that are marketed in Jamaica under www.SiloRetreats.com. That retreat is also a tourism-

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[4] See Dept. of Medicine, Memorial Sloan-Kettering Cancer Center (NY, USA), "Functional properties of edible mushrooms," Nutrition Reviews (October 31, 1996) (https://europepmc.org/ article/ med/ 9110582); Cheung, Peter C.K., Mushrooms as Functional Foods (Wiley, 2008); Sabaratnam, Vikineswary, et al., "Neuronal Health – Can Culinary and Medicinal Mushrooms Help?" J. Tradit. Complement Med. (Jan-Mar 2014) (https://www.ncbi.nlm.nih.gov/ pmc/ articles/ PMC3924982/).

based operation with dependence on open borders, which, among other things relies on the co-operation of local governments and is subject to the negative impacts of pandemics such as COVID-19. Silo has also commenced cultivation, production and distribution of Psychedelic Mushrooms on a small-scale wholesale basis in Jamaica.

Experience of Management Team and Consultants

The Resulting Issuer's management team possesses broad skills and experience relevant to the psychedelics industry to develop the strategy and execution of its business plan. The operational skills of the Resulting Issuer's management and consultants include knowledge and ability to manage and further develop its operational goals in a nascent, legally evolving sector, with a majority of its management and consultants having successfully operated in the highly regulated cannabis sectors in the United States and Jamaica. The Resulting Issuer has in-house knowledge in sourcing mushroom extracts and developing formulations. The Resulting Issuer also has the scientific knowledge to commercialize psychedelic formulations in the future associated with the nasal spray IP once this is legalized and regulated in applicable jurisdictions.

The President of the Resulting Issuer, Mr. Michael Arnold, has gained experience in Psychedelic Mushroom sourcing, extraction, and product development in Jamaica since 2019 and is the co-inventor of Silo's metered-dose psilocybin nasal spray. He has been involved in the sourcing and development of psilocybin-free Functional Mushroom products in the United States since 2018. He has operated an outdoor cannabis farm with over 40,000 autoflower (*Ruderalis*/*Indica* crosses) cannabis plants. He also has experience in project management having co-developed and managed the construction of a state-of-the-art cold air cannabis drying facility. In addition to cannabis operational experience, he has drafted numerous recreational cannabis applications in his capacity as a lawyer. He has also worked in the plant-medicine industry through the business development and the licensing of a patented metered-dose cannabis inhaler as well as in co-drafting the Resulting Issuer's provisional and non-provisional patent applications for its psilocybin nasal spray. He also has digital marketing experience in website development and online marketing and developed the www.siloreboot.com e-commerce site. Furthermore, the Resulting Issuer's president brings his analytical skills developed as a trial lawyer in the United States, having litigated in both the U.S. state and federal courts for cases involving breach of fiduciary duties, corporate malfeasance, fraud, trade secrets and copyright infringement.

The CEO of the Resulting Issuer, Mr. Douglas Gordon, founded Canex Jamaica and gained experience in event planning and through extensive business development, secured international relationships from hosting some of the world's leaders in cannabis. Canex Jamaica has expanded its operations and expertise to the psychedelics and hosted emerging sector leaders at an international conference in September 2020. He also has experience in plant-based medicine distribution in the West Indies, primarily with CBD. Through those endeavours he has liaised with Jamaican government regulators and has an established network of retail distribution channels, including pharmacies, wellness clinics, and retail shops in Jamaica and elsewhere in the Caribbean. Additionally, he has a strong background in marketing and promotions through his experience as an events company founder and as a publisher.

In support of its research and product development, the Resulting Issuer has engaged consultants including a pharmacologist and chemist with experience in emerging and highly regulated industries and in pharmaceutical and cannabis patents. The consultants provided services in the development of the Resulting Issuer's patent-pending psilocybin nasal spray. The pharmacologist obtained his doctorate in Pharmacology and Physiology at Saint Louis University with a focus on the neuromodulatory roles of serotonin (5-HT) and dopamine (DA) on a developing neural circuit in *Drosophila melanogaster*, the fruit fly. He has extensively studied how deviations in the development of neural circuitry contribute to the development of effective neurological disorders. These pursuits led him to developing an expertise in the psychedelic space regarding prescription drug interactions and contraindications along with the proper intake models and procedures for retreat participant safety. He is devoting an estimated 5% of his time as needed by the company. The consulting chemist is an accomplished pharmaceutical product developer and scientist. He is a co-inventor of Silo's psilocybin nasal spray and the of inventor of five patent families in the field of pharmaceutical aerosol formulation that have been monetized by assignees for over US$1 billion. He has experience in the cannabis space with the invention of a patented metered-dose, full-spectrum, whole-plant CBD/THC inhaler. He is a published expert on respiratory drug delivery, and an expert on formulations for both pressurized metered dose inhalers (pMDI) and dry powder inhalers (DPI). He graduated from the University of California Santa Cruz with a bachelor of science in chemistry. Additionally, the general manager of the e-commerce store for the Functional Mushroom products of the Resulting Issuer has experience in brick and mortar CBD sales management as well as in Functional Mushroom/CBD product formulation, development, and sales.

Two medical advisors, Dr. Leanna Standish and Dr. Sunil Aggarwal, have experience in ketamine clinic founding and operations and are advising on an at-will basis with consulting agreements to be entered into following the Transaction. The medical advisors are expected to allocate less than 10% of their time to advising Silo. Both have experience in administration of psychotherapy and offer individual and group psychedelic integration, trauma-focused psychotherapy, ketamine treatment and consultation for psychedelics. Both physicians are co-founders of a ketamine-assisted psychotherapy clinic. Dr. Standish is a neuroscientist and naturopathic physician who holds faculty appointments at the University of Washington School of Medicine in the Radiology Department as well as at Bastyr University. She received her PhD in neuroscience/biopsychology from the University of Massachusetts in 1978;ND from Bastyr University in 1991; MS in acupuncture and Oriental medicine from Bastyr University in 1994; and was board certified in naturopathic oncology in 2006. She specializes in integrative oncology and neurology. She leads cancer research teams and holds an FDA IND for a phase I clinical trial of ayahuasca, a psychoactive Amazonian tea. She is also is board certified in naturopathic oncology. Her research is focused on the Asian medicinal mushroom Trametes versicolor in the treatment of breast and prostate cancer; functional brain imaging in the treatment of brain cancer; and the development of integrative oncology outcomes studies. She has provided adjunctive naturopathic medical care to hundreds of cancer patients, and has worked collaboratively with oncologists to provide integrated conventional/CAM care.

The other physician advisor Dr. Aggarwal received a B.S. in chemistry, B.A. in philosophy, and a minor in religious studies from UC Berkeley. He completed the NIH-supported Medical Scientist Training Program at the UW School of Medicine where he received a Ph.D. in medical geography and a Doctorate of Medicine (M.D.) with a Pathway Certification in Global Health. He was supported in part by an NSF Graduate Research Fellowship. He completed his Medicine Internship in Internal Medicine at Virginia Mason Medical Center in Seattle, Residency in Physical Medicine and Rehabilitation at the New York University Medical Center, and Clinical Fellowship in Hospice and Palliative Medicine at the National Institutes of Health-Clinical Center Pain and Palliative Care Service. He is a Clinical Assistant Professor at the UW School of Medicine, an Affiliate Assistant Professor of Geography at UW, and a Faculty Member of the National Family Medicine Residency. He is also an Associate Member of the New York Academy of Medicine and the Humboldt Institute for Interdisciplinary Marijuana Research. He is also currently an Associate Medical Director of MultiCare Hospice. He serves on the Editorial Advisory Board of the National Cancer Institute's PDQ Cancer CAM information summary on cannabis. He has been qualified as an expert in cannabis and psilocybin medical and religious use in county, state, and federal courts.

The CFO, Mr. Ryan Ptolemy, of the Resulting Issuer is a CPA, CGA and CFA charter holder with a B.A. from Western University. He serves as CFO to a number of public and private companies and has formerly served as CFO for an independent investment dealer where he was responsible for financial reporting, auditing, budgeting and internal controls.

The COO, Mr. Mo Yang, of the Resulting Issuer is a CPA, CA and CFA charter holder with a B.A from Concordia University. He consults with various businesses and has 15 years of experience and has held executive positions at various companies.

By leveraging the strengths and experiences of its management team involving individuals who possess a wealth of combined knowledge and experience necessary for marketing products and services in a nascent market, the Resulting Issuer intends to, over time, establish itself as a leader in the psychedelics and Functional Mushroom space. The Resulting Issuer will continue to build out its team with specialists on an as-needed basis.

At the date of this Listing Statement, Silo has one full-time employee in Jamaica. The Resulting Issuer has one part-time and five full-time consultants, of which three are located in the United States, two in Jamaica and one in Canada.

Applicable Regulatory Regimes

Most of Silo's business operations are conducted in Jamaica, which may be classified as an emerging market. According to the World Bank (https://www.worldbank.org/en/country/jamaica/overview), while Jamaica is considered an upper middle-income economy, the country nevertheless has issues with low economic growth, high public debt and exposure to global economic trends. In addition, poverty levels are still significant and crime levels remain high. Companies operating in emerging markets have less government regulation and are not subject to as extensive and frequent accounting, financial and other reporting requirements as businesses in more developed countries. However, Jamaica does share certain common characteristics with North American countries like Canada and the United States in that English is spoken and is the language of business, the US dollar is widely used, a common law justice system is in force with a parliamentary democracy political system. Please see the heading "Risk Factors", below, for a full discussion of the various risk factors that may effect the Resulting Issuer.

Jamaica

At present the activities of the Resulting Issuer with respect to psychedelics are legal in Jamaica and are only conducted in Jamaica. However, any change in local law, namely the *Dangerous Drugs Act*, declaring Psychedelic Mushroom cultivation as illegal could potentially impact operations in Jamaica. See "*Risk Factors*".

Jamaica has not declared psilocybin a prohibited drug under applicable laws. The legislative framework governing controlled substances in Jamaica includes the statutes further described below.

The Dangerous Drugs Act

This act regulates drugs such as raw opium, coca leaves, Ganja (cannabis), cocaine and morphine but there is no reference to the use of psilocybin and or any fungi. However, the *Dangerous Drugs Act* provides discretion to the Minister of Health to declare by order new categories of drugs as illegal, which may include psilocybin.

The Food and Drugs Act

This statute regulates the procedural aspect of possession, selling, cultivation, and use of specified foods and drugs in Jamaica. As at the date of this Listing Statement, neither the *Food and Drugs Act, 1954* nor the *Food and Drugs Regulation Act, 1975* inclusive of their schedules, refer to psilocybin, and it has not been declared an illegal drug in Jamaica. It should be noted that the *Food and Drugs Act* prohibits the importation of psilocybin (or any drug) that is imported from a country where it is illegal.

Other Regulations

Other local laws such as the *Protection of Plant Genetic Resources for Food and Agriculture Act, the Caribbean Food Corporation Act*, and *the Agricultural Foods Act* govern the registration and issuance of licenses to deal with the use and regulation of specified plants in the country. However, psilocybin is not currently referenced in such legislation. The definition of a drug under the Jamaican *Pharmacy Act* means "…*any substance or mixture of substances manufactured, sold or represented for use in the diagnosis, treatment, mitigation or prevention of a disease, disorder, abnormal physical state or the symptoms thereof in a man or animal*". Sellers of psilocybin are therefore not permitted to hold out psilocybin as being used to treat medical conditions, similar to how Functional Mushrooms must be marketed in the United States without medical claims, similar to other nutraceutical products.

Canada

Silo's Functional Mushroom extracts do not contain psilocybin and are considered a food product. The regulatory regime for Silo's Functional Mushroom tinctures are subject to regulation in Canada by the *Food and Drugs Act* (Canada) and the *Consumer Packaging and Labelling Act* (Canada).

In Canada, the Food and Drug Act ("**FDA**") and Food and Drug Regulations ("**FDR**"*)* made pursuant to the FDA, regulate food and drugs in Canada. The FDA regulates the production, import, export, transport across provinces and sale of food, drugs, contraceptive devices and cosmetics (including personal cleaning products such as soap and toothpaste). Silo's Functional Mushroom extracts are food products under the FDA and are subject to the FDA's requirements for product composition (including, among other things, additives, fortification, and food standards), packaging, and licensing requirements. The FDA regime does not require clearance or pre-approvals of Silo's Functional Mushroom extracts, however compliance with labelling, promotions and distribution is ongoing. The packaging and labelling of Silo's Functional Mushroom extracts is subject to the *Canadian Consumer Packaging and Labelling Act* which provides for mandatory label requirements, including the bilingual presentation of label information and the prevention of misleading or fraudulent statements.

At the provincial level, there are no specific regulations that apply to the marketing and sale of food products as the provincial regulation defers to the rules set out federally.

United States

Within the U.S., the Resulting Issuer's nasal spray product is considered a Schedule 1 controlled substance and thus possession of it is prohibited by U.S. federal law subject to appropriate authorizations from the drug enforcement agency. It is also very difficult to obtain a research permit in respect of such a substance. However, the passage of Measure 109 in Oregon in November 2019, among other things, authorizes the Oregon Health Authority to permit licensed service providers to administer psilocybin in therapeutic settings after a two-year rulemaking development period. Notwithstanding that it remains a Schedule I controlled substance in the U.S., the passing of Measure 109 permits the development of a state regulatory regime for psilocybin. The state legalization of psilocybin in Oregon is similar to the state-by-state legalization of adult-use cannabis which, similar to psilocybin, remains federally illegal. Silo does not intend to deal with psilocybin in the U.S. in the foreseeable future.

However, the psilocybin-free mushroom tinctures that the Resulting Issuer intends to sell in the United States through its online sales platform do not appear in any of the schedules of the *Controlled Substances Act* and are therefore not considered controlled substances in the United States. Under the *Federal Food, Drug and Cosmetic Act* (the "**FD&C Act**") and the *Fair Packaging and Labeling Act*, the United States Food and Drug Administration, ensures the safety of food products, including packaging and labelling requirements for food**.** Nutritional label content requirements, nutritional and health claim regulations are governed by the *Nutrition Labeling and Education Act*. At the state level, there are no specific regulations that apply to the Functional Mushroom products of Silo.

Ketamine Regulatory Regime

In the United States, ketamine is a Schedule III controlled substance. Pursuant to 21 U.S. Code § 812(b)(3), Schedule III means the drug or substance has a low to moderate potential for physical and psychological dependence. Other examples of Schedule III substances include products containing less than 90 mg of codeine per dosage unit (e.g. Tylenol with Codeine), anabolic steroids, and testosterone. A Schedule III drug's abuse potential is less than Schedule I and Schedule II drugs but more than Schedule IV. To obtain ketamine, the prescribing physician must have an active Drug Enforcement Administration ("**DEA**") license. The sub anesthetic use of ketamine for certain mental health conditions is a permitted off-label use by a prescribing physician.

Ketamine was approved by the FDA as an anesthetic agent in 1970. Although favorable research focused on ketamine for treatment-resistant depression has been conducted, the applicable patent expired in 2002 making the clinical trial process for most additional FDA-approved indications not cost effective as a generic drug with no patent protection. Consequently, most modern mental health innovations with ketamine are "off-label".[5] When a prescribed

[5] See generally Kraus C, Wasserman D, Henter ID, Acevedo-Diaz E, Kadriu B, Zarate CA Jr. "The influence of ketamine on drug discovery in depression" [published online August 2, 2019]. Drug Discovery Today (https://doi.org/10.1016/ j.drudis.2019.07.007); "Ketamine and Future

drug is approved for use, the FDA has conducted a careful evaluation of its benefits for that approved use. Unapproved uses of prescribed drugs are lawful and are often called "off label" use. This means that they can be legally used for a disease or medical condition that has not been approved by the FDA only if prescribed by a physician.[6] This is a very common practice as one in five prescriptions in the United States are for off-label use.[7]
The Oregon ketamine therapy industry is an emerging market and serves a medical market. The Board of Naturopathic Medicine is the state agency responsible for licensing, regulating and disciplining naturopathic physicians in the State of Oregon, pursuant to Oregon Revised Statutes (ORS) chapter 685 and Oregon Administrative Rules (OAR) chapter 850. In Oregon, naturopathic physicians are approved to prescribe ketamine such as oral ketamine lozenges and nasal sprays in accordance with professional standards of care under OAR 850-060-0223 and OAR 850-060-0226 but naturopathic physicians in Oregon are not permitted to prescribe injectable ketamine.

The Oregon Retreats

In Oregon, the Resulting Issuer intends to conduct retreat operations with a practicing naturopathic physician having an active DEA license (pursuant to 21 C.F.R. § 1306) who independently provides and manages medical supervision and treatment of qualifying retreat guests with ketamine, utilizing retreat space. The first retreat was held on January 16 to 21, 2021. The Resulting Issuer does not practice medicine and is not involved with directing any medical care. The Resulting Issuer does not currently but might in the future provide management services related to the physician's practice. The relationship between the Resulting Issuer and the physician is subject to various standards of corporate practice and fee-splitting rules.

The physician's agenda for the Oregon wellness retreat is centered on integration in nature after ketamine sessions using the natural surroundings with a series of events, that may include such activities as whitewater mindfulness excursion, waterfall meditation hikes, or similar excursions and activities. The Resulting Issuer's intended principal business in Oregon is in marketing and coordinating retreat activities that permit a naturopathic physician to offer ketamine therapy sessions on site.

Evidence shows that ketamine can be effective for treating depression symptoms when used off-label for that purpose.[8] Ketamine also creates dissociative effects which cause it to often be categorized among psychedelic drugs and has been administered to patients at clinics throughout the United States, including Oregon, for several years.[9]

Ketamine was developed in the 1960s as an anesthetic drug and has been used widely around the world for that purpose. Since its introduction, it was discovered that ketamine had "dissociative" and potential antidepressant effects. The National Institute of Mental Health even developed an infusion protocol for treating depression using ketamine. Though ketamine may be an effective treatment of depression and other mental health concerns without utilizing its dissociative effects, ketamine-enhanced psychotherapy instead utilizes the dissociative effects medically in a therapeutic setting. A growing number of physicians use the Ketamine-Assisted Psychotherapy approach.

Depression Treatments." Depressive Disorder Advisor, Psychiatry Advisor (https://www.psychiatryadvisor.com/ home/ depression-advisor/ ketamine-and-future-depression-treatments/).

[6] See U.S. Food & Drug Admin., "Understanding Unapproved Use of Approved Drugs Off Label," Learn About Expanded Access and Other Treatment Options (Feb. 5, 2018) (https://www.fda.gov/ patients/ learn-about-expanded- access-and-other- treatment-options/ understanding-unapproved-use-approved-drugs-label).

[7] See Clancy, Carolyn M., M.D., "Off-Label Drugs: What You Need to Know," Navigating the Healthcare System, U.S. Dept. of Health & Human Services, Agency for Healthcare Research and Quality (Apr. 21, 2009) (https://archive.ahrq.gov/ news/columns/ navigating-the-health-care-system/ 042109.html).

[8] See generally "Intravenous Ketamine for the Treatment of Mental Health Disorders: A Review of Clinical Effectiveness and Guidelines," Canadian Agency for Drugs and Technologies in Health at 20 (August 2014) (https://www.ncbi.nlm.nih.gov/books/NBK253844/).

[9] See generally Kraus C, Wasserman D, Henter ID, Acevedo-Diaz E, Kadriu B, Zarate CA Jr. "The influence of ketamine on drug discovery in depression" [published online August 2, 2019]. Drug Discovery Today (https://doi.org/10.1016/ j.drudis.2019.07.007); "Ketamine and Future Depression Treatments." Depressive Disorder Advisor, Psychiatry Advisor (https://www.psychiatryadvisor.com/ home/ depression-advisor/ ketamine-and-future-depression-treatments/).

For each scheduled Silo Wellness Oregon retreat, the Resulting Issuer intends to contract with individual lodging retreat properties in or near a natural setting and other amenity providers for wellness retreats.

The physician, independent of the company, qualifies and screens applicants for final acceptance (including any telephone or video consultations deemed necessary by the provider). The physician also provides consultations with each participant to screen for contraindications, appropriate diagnosis, and mental preparedness for the retreat. The physician, if the participant is deemed suitable for ketamine-assisted therapy, will prescribe ketamine to be administered under medical supervision at the retreat location. The physician also provides pre-event information to attendees. There will be individual meetings held virtually and with the group in preparation for the retreat.

Silo Wellness's wellness retreat will take place in Oregon's celebrated nature and wildlife areas. Silo intends to optimize its location in Oregon as a beneficial setting for ketamine-assisted therapy retreats and post-therapy integration in nature.[10] The setting of nature at the retreats (rather than a traditional clinical setting) is intended to inspire mindfulness and connections to greater consciousness.

Outside Jamaica, Canada and United States

In foreign markets, prior to commencement of operations and prior to making sales, the Resulting Issuer may be required to obtain approval, license, or certification from the country's agency governing health. The approval process can be lengthy and costly and may require reformulation of products or labeling. However, the Resulting Issuer's failure to comply with foreign regulations could result in products being rejected for sale in such country. Currently, the Resulting Issuer does not have any plans to operate in foreign markets outside of Canada and the United States aside from Jamaica as outlined above. If the Resulting Issuer choses to establish operations outside of Jamaica, prior to commencing operations in any given country the Resulting Issuer will obtain legal advice from counsel with regards to sale or manufacturing of its products.

Reliance on Third Parties

The Resulting Issuer does not have any contract on which it is substantially dependent. However, it is generally dependent on third parties to manufacture its products. The ability of the Resulting Issuer to reach and sustain satisfactory levels of product sales could be dependent in part upon the ability of third-party suppliers of raw materials to manufacturers, as well as the ability of any manufacturer and distributor relied upon by the Resulting Issuer to perform their functions and to comply with local regulations. While outsourcing manufacturing and distribution to third parties may reduce the cost of operations, it also reduces direct control that the Resulting Issuer has over the products supplied and services rendered. Although the Resulting Issuer attempts to select reputable manufacturers, it is possible that one or more of these providers could fail to perform as expected, particularly in the psychedelics industry, which is nascent. The failure of manufacturers to supply products as required could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

In the current financial year, the Resulting Issuer does not foresee any renegotiation or termination of its contracts. However, any renegotiation or termination of its manufacturing agreements for its products could delay or otherwise negatively impact the business of the Resulting Issuer.

4.2 *Asset backed Securities Outstanding*

This section is not applicable to the Resulting Issuer.

4.3 *Mineral Projects*

This section is not applicable to the Resulting Issuer.

[10] See "The great outdoors? Exploring the mental health benefits of natural environments," Front Psychol. 2014; 5: 1178 (https://www.frontiersin.org/articles/10.3389/ fpsyg.2014.01178/full).

4.4 *Oil and Gas Operations*

This section is not applicable to the Resulting Issuer.

5. Selected Consolidated Financial Information

5.1 *Annual Information*

The following table sets out selected historical financial information for Yukoterre for the fiscal years ended October 31, 2020 and October 31, 2019 and should be read in conjunction with the Issuer Pro-Forma Financial Statements attached hereto as Exhibit “C”. Amounts are stated in Canadian dollars.

Statement of Financial Position and Statement of Loss and Comprehensive Loss Data (Expressed in Canadian Dollars)	**Year Ended October 31, 2020 (C$)**	**Year Ended October 31, 2019 (C$)**
Total Revenue	Nil	Nil
Total Assets	32,269	534,941
Total Liabilities	246,335	84,620
Shareholder’s Equity (Deficiency)	(214,066)	450,321
(Loss) From Continuing Operations (Total)	(664,387)	(214,845)
(Loss) From Continuing Operations (Per Share)	(0.06)	(0.03)
Net (Loss) and comprehensive (loss)	(664,387)	(214,845)
Net (loss) and comprehensive (loss) (Per Share)	(0.06)	(0.03)

The following table sets forth selected historical financial information for Silo for the fiscal years ended October 31, 2020 and October 31, 2019 and should be read in conjunction with the Issuer Pro-Forma Financial Statements attached hereto as Exhibit “C”. Amounts are stated in US dollars.

Statement of Financial Position and Statement of Loss and Comprehensive Loss Data (Expressed in United States Dollars)	**Year Ended Oct 31 2020 (US$)**	**Year Ended Oct 31 2019 (US$)**
Total Revenue	6,220	Nil
Total Assets	314,709	743,372
Total Liabilities	350,328	68,400
Total Shareholders’ Equity (Deficiency)	(35,619)	674,972
(Loss) from Continuing Operations (Total)	(1,385,664)	(1,497,389)
(Loss) from Continuing Operations (Per Share)	(0.06)	(0.17)
Net (Loss) and Comprehensive (loss)	(1,385,664)	(1,497,389)
Net (Loss) and Comprehensive (Loss) (Per Share)	(0.06)	(0.17)

Since November 20, 2018 (the incorporation date of Silo) until the period ended April 30, 2020, Silo has incurred $2,318,486.94 (USD) in expenses related to the development of its business. Expenses include product and intellectual property development, corporate and business development in Jamaica and the United States, e-commerce development and marketing costs and general and administrative expenses.

The following table sets forth selected financial information for the Resulting Issuer as of October 31, 2020 assuming the completion of the Transaction and should be read in conjunction with the Resulting Issuer Pro-Forma Financial Statements attached hereto as Exhibit “C”. Amounts stated in US dollars.

Pro Forma Balance Sheet Data (Expressed in United States Dollars)	**Year ended October 31, 2020 (US$)**
Total Assets	3,669,014
Total Liabilities	535,301
Total Shareholders’ Equity	3,133,713
(Loss) before Adjustments	(3,034,569)
Total Revenue	6,220
Basic and Diluted (Loss) (Per Share)	(.05)

5.2 *Quarterly Information*

Please see below for the following quarterly information for the Issuer for the periods as indicated:
All amounts stated in Canadian dollars.

(C$, except per share amounts)	**July-20**	**April-20**	**Jan-20**	**Oct-19**
Cash flow from operating activities	(7,921)	(7,921)	(68,201)	(86,803)
Net (loss)	(458,308)	(32,055)	(44,383)	(169,499)
(Loss) per share - basic and diluted	(0.04)	(0.00)	(0.00)	(0.02)
(C$, except per share amounts)	**July-19**	**Apr-19**	**Jan-19**	**Oct-18**
Cash flow from operating activities	1,319	(17,850)	(39,146)	(66,703)
Net (loss)/ income	(7,947)	(20,496)	(16,903)	(17,778)
(Loss) per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

5.3 *Dividends*

There will be no restrictions in the Resulting Issuer’s articles or elsewhere, other than customary general solvency requirements, which would prevent the Resulting Issuer from paying dividends following the completion of the Transaction.

It is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer’s business and accordingly it is not contemplated that any dividends will be paid on the Resulting Issuer’s shares in the immediate or foreseeable future. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer’s financial position at the relevant time.

5.4 *Foreign GAAP*

The financial statements included in this Listing Statements have been, and the future financial statements of the Resulting Issuer shall be, prepared in accordance with International Financial Reporting Standards.

6. Management's Discussion and Analysis

Annual MD&A

6.1 Yukoterre's annual Management's Discussion and Analysis for the financial years ended October 31, 2020 and October 31, 2019 can be found in Exhibit "A" to this Listing Statement. This Management's Discussion and Analysis should be read in conjunction with the Yukoterre financial statements and the notes thereto for the corresponding time periods.

Silo's Management's Discussion and Analysis for the period from November 20, 2018 to October 31, 2019 and the year ended October 31, 2020 can be found in Exhibit "B" to this Listing Statement. This Management's Discussion and Analysis should be read in conjunction with the Silo financial statements and the notes thereto for the corresponding time periods.

7. Market for Securities

The Issuer's Common Shares have been listed and posted for trading on the Exchange since September 25, 2019 under the symbol YT and after the closing of the Transaction, the Resulting Issuer's common shares will be listed and posted for trading on the Exchange under the symbol "SILO". The Common Shares were halted on the Exchange on June 16, 2020 pending the announcement of the Transaction.

8. Consolidated Capitalization

8.1 The following table sets forth the pro forma share capital of the Resulting Issuer, on a consolidated basis, after giving effect to the Transaction:

Security	Amount Authorized or to be Authorized	Amount Outstanding Prior to Giving Effect to the Transaction Following the Completion of the Share Consolidation	Amount Outstanding After Giving Effect to the Transaction Following the Completion of the Private Placement
Common Shares	Unlimited	40,327,000	62,577,849(1)(2)

Notes:

(1) In addition, 525,000 Common Shares (after giving effect to the Share Consolidation) are issuable in connection with the stock options granted under the Option Plan and 122,500 Common Shares are issuable upon the exercise of agent options (see "Section 9 – Options to Purchase Securities").

(2) In addition, 10,355,224 warrants to purchase Common Shares were issued pursuant to the Private Placement and for previously issued warrants to purchase Silo Shares, with such warrants exercisable at $0.33 for a period of two years following the Closing Date.

9. Options to Purchase Securities

Description of Option Plan

The Resulting Issuer has inherited the Option Plan previously implemented and used by Yukoterre and approved by the shareholders thereof. Pursuant to the Option Plan, the Resulting Issuer may grant up to that number of stock options that equals 10% of the number of issued and outstanding Common Shares at the time of the stock option grant, from time to time. This percentage is consistent with the historically approved stock option plans of Yukoterre and the Resulting Issuer believes that it is competitive with industry peers. As of the date hereof, there was an aggregate of 525,000 stock options outstanding under the Resulting Issuer's existing Option Plan, which represents approximately 1% of the outstanding Common Shares following the completion of the Transaction. The Option Plan provides that the Issuer cannot grant stock options to any one person representing more than 5% of the outstanding Common Shares.

Under the Option Plan, stock options may be granted to employees, officers and certain consultants of the Resulting Issuer and designated affiliates. The Option Plan is designed to advance the interests of the Resulting Issuer by encouraging employees, directors, officers and eligible consultants to have equity participation in the Resulting Issuer through the acquisition of Common Shares. In determining the terms of each grant of stock options, consideration is given to the participant's present and potential contribution to the success of the Resulting Issuer.

The terms and conditions of each option granted under the Option Plan will be determined by the Board of Directors. Options will be priced in the context of the market and in compliance with applicable securities laws and stock exchange guidelines. Consequently, the exercise price must not be lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. Vesting terms will be determined at the discretion of the Board of Directors. The Board of Directors shall also determine the term of stock options granted under the Option Plan, provided that no stock option shall be outstanding for a period greater than five years. In addition, the terms of an option may not be amended once issued. If am option is cancelled prior to its expiry date, the Resulting Issuer must post notice of such cancellation and shall not grant new options to the same person until 30 days have elapsed since the date of cancellation.

The Option Plan provides for amendment procedures that specify the kind of amendments to the Option Plan that will require shareholder approval. The Board of Directors believes that except for certain material changes to the Option Plan it is important that the Board of Directors has the flexibility to make changes to the Option Plan without shareholder approval. Such amendments could include making appropriate adjustments to outstanding options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions, provided that any such changes must continue to comply with the policies of the CSE.

Upon the termination of an optionholder's engagement with the Resulting Issuer, the cancellation or early vesting of any stock option shall be in the discretion of the Board of Directors. In general, the Resulting Issuer expects that stock options will be cancelled 90 days following an optionholder's termination from the Resulting Issuer. Stock options granted under the Option Plan shall not be assignable.

The Resulting Issuer will not provide financial assistance to any optionholder to facilitate the exercise of options under the Option Plan.

The following table sets out the stock options to purchase Common Shares of the Resulting Issuer under the Option Plan as of the date of this Listing Statement.

Groups of Persons who Hold Resulting Issuer Stock Options	Number of Optionholders	Number of Stock Options	Exercise Price ($)	Expiry Date
All executive officers and directors of the Resulting Issuer and past executive officers and directors of the Issuer or Silo	1	42,500	0.20	September 25, 2024
All executive officers and directors of the subsidiaries of the Resulting Issuer and past executive officers and directors of subsidiaries of the Issuer or Silo (excluding individuals referred to above)	N/A	N/A	N/A	N/A
All other employees and past employees of the Resulting Issuer, Silo or the Issuer	N/A	N/A	N/A	N/A
All other employees and past employees of subsidiaries of the Resulting Issuer, Silo or the Issuer	N/A	N/A	N/A	N/A
All other consultants of the Resulting Issuer	N/A	N/A	N/A	N/A
All other persons	9	482,500	0.20	September 25, 2024
Total:	**10**	**525,000**		

Following the closing of the Transaction, the Option Plan as described above will remain in effect. If the Resulting Issuer adopts a new stock option plan following the completion of the Transaction, the same will be subject to shareholder and Exchange approval.

10. Description of the Securities

10.1 The Issuer is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Listing Statement (and following the Share Consolidation), 62,577,849 Common Shares are issued and outstanding as fully paid and non-assessable, 10,155,664 Common Shares are reserved for issuance pursuant to warrants issued in the Private Placement, 393,600 Common Shares are reserved for issuance pursuant to broker warrants issued in the Private Placement, 194,560 Common Shares are reserved for issuance pursuant to previously issued warrants to purchase Silo Shares, 525,000 Common Shares are reserved for issuance upon exercise of stock options as described in Section 9 – "Option to Purchase Securities" and 122,500 Common Shares are reserved for issuance pursuant to an agent's option granted under a previous financing.

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per Common Share at meetings of the shareholders of the Issuer and, upon dissolution, to share equally in such assets of the Issuer as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of the Transaction will be fully paid and non-assessable, and will not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a holder of Common Shares to contribute additional capital.

10.2 No debt securities of the Resulting Issuer are being listed.

10.4 No other securities of the Resulting Issuer are being listed other than the Common Shares.

10.5 The terms of the Common Shares may not be modified, amended or varied.

10.6 There are no other securities of the Resulting Issuer that may limit or qualify the rights attached to the Common Shares, nor are there any redemption or repurchase rights that may be applicable.

10.7 *Prior Sales*

Yukoterre did not sell Common Shares in the 12 months prior to the date of this Listing Statement except for the issuance of the Payment Shares, while Silo issued Silo Shares as follows:

Date of Issuance	**Number of Silo Shares Sold**	**Issuance Price Per Share**	**Type of Issuance**
November 14, 2019	400,000	US$0.10	Private placement
December 16, 2019	77,924	US$0.10	Services rendered
December 31, 2019	1,050,000	US$0.10	Private placement
January 1, 2020	100,000	US$0.10	Private placement
January 21, 2020	242,466	US$0.10	Services rendered
March 23, 2020	185,000	US$0.20	Services rendered
March 31, 2020	879,326	US$0.10	Services rendered
April 7, 2020	26,870	US$0.10	Services rendered
April 7, 2020	500,000	US$0.10	Redemption of preference shares in order to simplify share structure
May 15, 2020	1,200,000	US$0.10	Services rendered

Date of Issuance	Number of Silo Shares Sold	Issuance Price Per Share	Type of Issuance
June 17, 2020	92,500	US$0.15	Services rendered
June 18, 2020	17,149,966	C$0.03	Private placement
August 14	2,000,000	C$0.03	Execution of services agreement
August 26, 2020	2,623,000	US$0.10	Services rendered
September 1, 2020	75,000	US$0.10	Services rendered
February 5, 2021	20,311,328	C$0.25	Private placement
February 25, 2021	389,120	C$0.25	Private placement

10.8 *Stock Exchange Price*

The Issuer's Common Shares have been listed and posted for trading on the Exchange since September 25, 2019. The following table sets out trading information for the Common Shares for the periods indicated on a monthly or quarterly basis as applicable. All dollar amounts stated in Canadian dollars.

Period(1)	High	Low	Volume
September 2019	$0.15	$0.14	300,000
October 2019	$0.16	$0.12	454,000
November 2019	$0.14	$0.14	30,000
December 2019	$0.11	$0.09	45,000
January 2020	N/A	N/A	0
February 2020	$0.09	$0.09	20,000
March 2020	$0.08	$0.08	17,500
April 2020	N/A	N/A	0
May 2020	$0.10	$0.10	165,000
June 2020(2)	$0.10	$0.10	50,000
Q3 2020	N/A	N/A	N/A
Q4 2020	N/A	N/A	N/A
Q1 2021	N/A	N/A	N/A

Notes:
(1) References to "Q" and a number reflect the financial quarter that the information is derived from.
(2) The Common Shares were halted on the Exchange on June 16, 2020 pending the announcement of the Transaction.

11. Escrowed Securities

11.1 The following table sets forth details of the Silo Shares that are held in escrow as of the date of this Listing Statement:

Designation of class held in escrow	Number of securities held in escrow	Percentage of class following the completion of the Transaction
Common Shares	6,579,291	10.9%

Upon listing of the Common Shares of the Resulting Issuer on the CSE, Common Shares held by "Related Persons" (as such term is defined pursuant to the policies of the CSE) of the Resulting Issuer will be held in escrow, pursuant to NP 46-201. The Resulting Issuer is classified as an emerging issuer pursuant to NP 46-201, and as such the securities listed above will be released from escrow in stages over a 36 month period from the date the Common Shares are first posted and listed for trading on the CSE following completion of the Transaction, with 10% released on this initial listing date and an additional 15% of such escrowed shares to be released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the listing date on the CSE. The Escrow Agent is acting as escrow agent with respect to these escrowed securities.

The following table sets forth details of the Common Shares of the Resulting Issuer held in escrow following the listing of the Common Shares on the CSE:

Name of Holder	Number of Common Shares	% of Outstanding Common Shares
Mike Arnold	4,018,750	6.66%
Fred Leigh	2,560,541	4.24%

In addition to the Common Shares held in escrow outlined above certain shares are subject to lock-up agreements with the Resulting Issuer. Subject to the terms of such agreements, (a) 15,329,598 Common Shares will be released from lock-up in stages from the date the Common Shares are first posted and listed for trading on the CSE following completion of the Transaction, with 25% of such locked-up shares to be released on the days that are three, six, nine and twelve months following this initial listing date on the CSE and (b) 11,022,638 Common Shares shall not be traded as such securities will be released from lock-up in stages from the date the Common Shares are first posted and listed for trading on the CSE following completion of the Transaction, with 50% of such locked-up shares to be released on the days that are three and six months following this initial listing date on the CSE

12. Principal Shareholders

12.1 To the knowledge of management of the Issuer and Silo, no person beneficially owns, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares upon the completion of the Transaction.

13 Directors and Officers

The following table sets out the name, city of residence, position with the Resulting Issuer, and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the Resulting Issuer's directors, officers and promoters following completion of the Transaction. Such persons were appointed to the positions indicated below immediately following the completion of the Transaction. All directors cease to hold office immediately before the election or appointment of directors at the next annual general meeting of the Resulting Issuer.

Name, Age and City of Residence	**Positions and Offices to be Held with the Resulting Issuer**	**Common Shares Beneficially Owned or Controlled upon Completion of the Transaction(1)**	
		Number	**Percentage**
Maurice Colson, 78, Toronto, ON(2)	Director	42,500	0.1%
Fred Leigh, 63, Toronto, ON (2)	Director	2,560,541	4.2%
Mike Arnold, 44 Springfield, OR	President and Director	4,018,750	6.6%
Mo Yang, 37, Toronto, ON	COO, Corporate Secretary and Director	180,000	0.3%
Winfield Yongbiao Ding, 52 Toronto, ON(2) (3)	Director	Nil	Nil
Douglas K. Gordon, 48, Montego Bay, Jamaica(4)	CEO	60,000	0.1%
Ryan Ptolemy, 44, Toronto, ON	CFO	10,000	0.01%

Notes:

(1) Calculated on an undiluted basis assuming 62,577,849 Common Shares are issued and outstanding upon completion of Transaction.
(2) Member of the Audit Committee.
(3) Chairman of the Audit Committee.
(4) Mr. Gordon has engaged an agent for service, Chitiz Pathak LLP, located at 77 King Street West, Suite 700, Toronto, ON, M5K 1G8.

For particulars of the occupations of the directors and officers see “Directors and Officers” below. The directors and officers of the Resulting Issuer, as a group, will own 6,841,791 Common Shares upon completion of the Transaction, being, on an undiluted basis, approximately 13.39% of the issued and outstanding Common Shares on completion of the Private Placement.

13.4 Disclose the board committees of the Issuer and identify the members of each committee.

Initially, the only committee of the Board of Directors of the Resulting Issuer will be the Audit Committee.

The Audit Committee will consist of Maurice Colson, Winfield Yongbiao Ding, and Fred Leigh. The mandate of the Audit Committee includes ensuring the Resulting Issuer effectively maintains the necessary management systems and controls to allow for timely and accurate reporting of financial information to safeguard shareholder value, to meet all relevant regulatory requirements and to provide recommendations to the board of directors in the areas of management systems and controls.

13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.

The following is a brief description of the directors and officers of the Resulting Issuer:

Fred Leigh, Age 63, Director – Mr. Leigh has been involved in the junior resource sector for more than 27 years and has had a significant role as founder, director and/or investor in many public companies. He is also the founder and President of Siwash Holdings Ltd., a privately held company which, for over 18 years has invested in early stage opportunities in the resource sector. Siwash was an early investor in successful companies such as Wheaton River

Minerals, Hathor Exploration and Blue Pearl Mining. Mr. Leigh is also currently a director of Magnolia Colombia Ltd., Routemaster Capital Inc., Halo Labs Inc., and the Chief Executive Officer of Apogee Opportunities Inc. and Routemaster Capital Inc., each of which are reporting issuers. Mr. Leigh will spend approximately 10% of his time in order to complete his duties and responsibilities as a director of the Resulting Issuer. Mr. Leigh is a member of the Audit Committee.

Maurice Colson, Age 78, Director – Mr. Colson has worked in the investment industry for more than 35 years and was for many years managing director for a major Canadian investment dealer in the United Kingdom. He is involved in providing strategic counsel and assistance with financing to emerging private and public companies in Canada and to Canadian companies operating internationally. He sits on the board of directors of several TSX and TSX Venture listed companies and is the former President and CEO of Lithium One Resources. Mr. Colson holds a Master of Business Administration degree from McGill University. Mr. Colson will spend approximately 10% of his time in order to complete his duties and responsibilities as a director of the Resulting Issuer. Mr. Colson is a member of the Audit Committee

Winfield Yongbiao Ding, Age 52, Director - Mr. Ding has been CFO and director for a number of public companies in Canada. He is a seasoned senior finance executive with over twenty years of finance and operations experience. A former audit manager and currently a self-practitioner, he worked in audit, taxation and advisory roles across a wide range of industries with a focus on public issuers financial reporting and business advisory. He has been Audit Committee Chairman of CF Energy Corp. (TSXV: CFY) since March 2015, and Director and Officer of Gravitas Financial Inc. (CSE: GFI) since April 2019. Mr. Ding received his MBA from the Chinese University of Hong Kong. Mr. Ding is a member of the Audit Committee. Mr. Ding will spend approximately 10% of his time in order to complete his duties and responsibilities as a director of the Resulting Issuer.

Mike Arnold, Age 44, President and Director – Mr. Arnold is an Oregon trial attorney (complex criminal defense and commercial litigation) and entrepreneur. Mr. Arnold was actively involved in the cannabis sector in the United States, having defended cannabis farmers in both federal and state courts. Additionally, Mr. Arnold was involved in cannabis regulatory work, drafting cannabis license applications as state regulations permitted. Mr. Arnold is also an experienced farmer, having raised livestock and poultry and operated a commercial cannabis outdoor farming operation. Mr. Arnold developed the concept for the metered-dose psilocybin nasal spray in 2018 together with his co-inventor. In Jamaica, Mr. Arnold has extracted psychedelic compounds from raw biomass and developed and quality tested products there. Mr. Arnold received his Bachelor of Arts from Truman State University and Juris Doctor from the University of Oregon School of Law.

Mr. Arnold will devote such time as may be necessary in order to perform the work required in connection with acting his capacity as a Director and President of the Resulting Issuer, which currently is estimated to be approximately 90% of his time.

Mo Yang, Age 37, Director, Corporate Secretary and Chief Operating Officer – Mr. Yang is the founder of Nexoa Inc., a CFO consulting services company and is a Charter Professional Accountant and Chartered Financial Analyst. Mr. Yang acts as Chief Financial Officer for several companies across a variety of sectors including private equity, cannabis and natural health products. Prior to Nexoa Inc., Mr. Yang acquired and closed over $2 billion in mergers and acquisitions at Raymond Chabot Grant Thornton and covered rate products, foreign exchange and exchange traded funds at BMO Capital Markets. Mr. Yang received his B Comm and Master in Accounting from Concordia University.

Mr. Yang will devote such time as may be necessary in order to perform the work required in connection with acting his capacity as a Director, Corporate Secretary and Chief Operating Officer of the Resulting Issuer, which currently is estimated to be approximately 10% of his time.

Douglas K. Gordon, Age 48, Chief Executive Officer - Mr. Gordon has been involved in the cannabis industry since 2016 when he founded and produced CanEx Jamaica Business Conference and Expo in Montego Bay, Jamaica. CanEx is the preeminent cannabis conference in the Caribbean and Latin America. Mr. Gordon has extensive experience in media, sales and marketing and his business endeavors have taken him across the Caribbean and into global markets, having founded GVI Sourcing Limited and Island Events as well as having acted as Editor in Chief for OCEAN Style Magazine and publisher of Blue Wolf Media. Mr. Gordon has extensive experience with developing new ventures and driving revenue. He is currently the chairman of Zimmer & Company and was a former director of the Montego Bay Chamber of Commerce. Mr. Gordon received his bachelor of arts degree in Economics from the University of Pennsylvania.

Mr. Gordon, as an independent contractor, will spend approximately 50% of his time in order to complete his duties and responsibilities as chief executive officer of the Resulting Issuer. Mr. Gordon has a twelve month non-compete, non-disclosure and non-solicit clause in his agreement.

Ryan Ptolemy, Age 44, Chief Financial Officer - Mr. Ptolemy is a CPA, CGA and CFA charter holder who also attained a Bachelor of Arts from Western University. Mr. Ptolemy serves as chief financial officer to many public and private companies in the resource sector, particularly development-stage companies. Prior to 2009, Mr. Ptolemy formerly served as chief financial officer for an independent investment dealer in Toronto where he was responsible for financial reporting, budgeting and the company's internal controls. Mr. Ptolemy has a twelve month non-disclosure and non-solicit clause in his agreement with the Resulting Issuer, but is not subject to any non-competition arrangements.

Mr. Ptolemy, as an independent contractor, will spend approximately 20% of his time in order to complete his duties and responsibilities as chief financial officer of the Resulting Issuer.

At the date of this Listing Statement, Silo has one full-time employee in Jamaica. The Resulting Issuer has five consultants, of which four are located in the United States and one in Canada and three medical advisors, located in Oregon.

Management Consulting Agreements and Non-Competition and Non-Solicitation Clauses

Mike Arnold acts as president of Silo pursuant to a consulting agreement for remuneration of US$15,000 per month for a term of 24 months. Tim Jury has been retained as a consultant providing financial advisory services for remuneration of US$1,000 per month for a term of twelve months. Michael Hartman provides scientific and patent advisory services for the Resulting Issuer for US$4,000 per month for a term of 24 months. Josh Wilson acts as an e-commerce consultant for the Resulting Issuer for US$6,000 per month for a term of twelve months. Each of the aforesaid have non-compete, non-disclosure and non-solicitation provisions in their respective agreements.

The Resulting Issuer has retained Nexoa Inc., for the services of Mo Yang, to act in the role of corporate secretary and chief operating officer as further outlined above for C$5,000 per month, and whose engagement is subject to a non-disclosure and non-solicitation clause, but is not subject to any non-competition arrangements. The Resulting Issuer has two medical advisors, Leanna Standish and Sunil Aggarwal, who are unpaid consultants located in the United States and provide advice on potential clinical opportunities for psychedelics and therapy. Dr. Matthew Hicks is advising on psychedelic retreats in Oregon and will be compensated depending on the size and duration of the retreat.

Mr. Arnold and Mr. Yang are subject to non-disclosure, non-solicitation and non-competition agreements. With the exception of Mr. Arnold and Mr. Yang, none of the other directors of the Resulting Issuer are subject to non-disclosure, non-solicitation or non-competition agreements.

13.6 Other than as set out below, no director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Ding was a director of Changfeng Energy Inc. ("**Changfeng**") when the Ontario Securities Commission ("**OSC**") issued a cease trade order dated May 7, 2015 that was subsequently lifted on June 3, 2015, due to the delay in Changfeng's filing of its 2014 annual audited financial statements and related management's discussion and analysis and officer's certification. In addition, Mr. Ding was also the Chief Financial Officer of EA Education Group Inc. ("**EA**") when it was issued a cease trade order dated January 5, 2017 by the OSC for failing to file its annual financial statements and management's discussion and analysis and certification of the annual filings for the year ended August 31, 2016, which were subsequently filed with the respective securities commission on June 28, 2017, and when a cease trade order against EA was issued on January 5, 2018 by the OSC for failing to file its annual financial statements and management's discussion and analysis and certification of the annual filings for the year ended August 31, 2017, all of which were filed on March 29, 2018.

Mr. Colson was a director of Desert Eagle Resources Ltd. ("**Desert Eagle**") when the OSC issued a cease trade order dated November 7, 2013 due to the delay in Desert Eagle's filing of its 2013 annual audited financial statements and related management's discussion and analysis and officer's certification for the year ended June 30, 2013. This order was revoked pursuant to a subsequent order of the OSC dated July 7th, 2016 in connection with a reorganization transaction.

13.7 No director or officer of the Resulting Issuer, or a shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 No director or officer of the Resulting Issuer, or a shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 *Conflicts of Interest*

Conflicts of interest may arise as a result of the directors, officers and promoters of the Resulting Issuer also holding positions as directors or officers of other companies. Some of the individuals who are directors and officers of the Resulting Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under the OBCA. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

13.11 *Additional Information Concerning Management*

Please see the biographies of management members under the heading "Directors and Officers", above.

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	62,577,849	73,969,173	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	6,841,791	6,884,291	10.9%	9.3%
Total Public Float (A-B)	55,736,058	67,084,882	89.1%	90.7%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	33,674,717	33,674,717	53.8%	45.5%
Total Tradeable Float (A-C)	28,903,132	40,294,456	46.2%	54.5%

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	N/A	N/A
100 – 499 securities	N/A	N/A
500 – 999 securities	N/A	N/A
1,000 – 1,999 securities	N/A	N/A
2,000 – 2,999 securities	N/A	N/A
3,000 – 3,999 securities	N/A	N/A
4,000 – 4,999 securities	N/A	N/A
5,000 or more securities	243	55,736,058
	243	55,736,058

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	2	10
100 – 499 securities	N/A	N/A
500 – 999 securities	5	2,500
1,000 – 1,999 securities	N/A	N/A
2,000 – 2,999 securities	3	7,500
3,000 – 3,999 securities	N/A	N/A

4,000 – 4,999 securities	1	4,500
5,000 or more securities	278	54,032,793
Unable to confirm	N/A	1,688,755

Non-Public Securityholders (Registered)

> **Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Common Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	N/A	N/A
100 – 499 securities	N/A	N/A
500 – 999 securities	N/A	N/A
1,000 – 1,999 securities	N/A	N/A
2,000 – 2,999 securities	N/A	N/A
3,000 – 3,999 securities	N/A	N/A
4,000 – 4,999 securities	N/A	N/A
5,000 or more securities	6	6,841,791
	6	6,841,791

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible/ exchangeable securities outstanding**	**Number of listed securities issuable upon conversion/ exercise**
Agent's options(1)	122,500	122,500
Stock options(2)	525,000	525,000
Warrants to purchase Common Shares(3)	10,350,224	10,350,224
Broker warrants(4)	393,600	393,600

Notes:

(1) Exercisable for one Common Share at $0.20 until September 25, 2021.
(2) Exercisable for one Common Share at $0.20 until September 25, 2024.
(3) Issued pursuant to the Private Placement and for previously existing warrants to purchase Silo Shares and exercisable for one Common Share at $0.33 for a period of two years following the Closing Date.
(4) Issued pursuant to the Private Placement and exercisable for one Common Share at $0.33 for a period of two years following the Closing Date.

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

Not applicable.

15. Executive Compensation

15.1 The following compensation was made to management of Yukoterre during the years ended October 31, 2019 and October 31, 2020.

Name and Principal position	Year	Salary ($)[1]	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value	All other compensa-tion ($)	Total compensa-tion ($)
					Annual incentive plans	Long-term incentive plans			
Deborah Battison CFO	2019	5,400	N/A	11,000	N/A	N/A	N/A	N/A	16,400
	2020	21,600	N/A	N/A	N/A	N/A	N/A	N/A	21,600
Kenny Choi Chief Executive Officer and Corporate Secretary[2]	2019	10,000	N/A	32,500	N/A	N/A	N/A	N/A	42,500
	2020	42,000	N/A	N/A	N/A	N/A	N/A	N/A	42,000
Rene Bharti, Former Chief Executive Officer and Director[2]	2019	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil
	2020	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil

Notes:

(1) The salaries listed above are on a per annum basis.
(2) Kenny Choi was appointed as the Chief Executive Officer of Yukoterre on May 8, 2020 following the resignation of Rene Bharti.

Oversight and Description of Director and Named Executive Officer Compensation

Named Executive Officers:

For the financial year ended October 31, 2019, the objectives of Yukoterre's compensation strategy was to ensure that compensation for its Named Executive Officers, being its Chief Executive Officer, its Chief Financial Officer and any other officer earning over $150,000 annually, is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Yukoterre in achieving its goals, that include, but are not limited to, identifying and successfully acquiring a new project or business venture for the Issuer.

The process for determining executive compensation is relatively informal, in view of the size and early stage of the Issuer and its operations. Executive officers are involved in the process and make recommendations to the Board of Directors, which considers for approval the discretionary components (e.g. cash bonuses) of the annual compensation of senior management. Except as otherwise described below, the Issuer does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board of Directors may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition.

Compensation for the Named Executive Officers is composed primarily of three components: base fees, performance bonuses and stock based compensation. In establishing the levels of base fees, performance bonuses and the award of stock options, the Issuer takes into consideration a variety of factors, including the financial and operating performance of the Issuer, and each Named Executive Officer's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

Salary

Amounts paid to executive officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. However, certain Named Executive Officers provide their services in similar capacities to other reporting issuers, in addition to Yukoterre. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective Named Executive Officer and the Issuer and is therefore heavily discretionary.

Bonus

Yukoterre's cash bonus awards are designed to reward an executive for the direct contribution that he or she has made to the Issuer. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board of Directors or the Chief Executive Officer, as applicable. The Issuer does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Issuer uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Issuer. Precise goals or milestones are not pre-set by the Board of Directors. There were no bonuses considered or paid to the Named Executive Officers during the financial year ended October 31, 2019.

Stock Option Grants

Options are granted pursuant to the Option Plan as described above and in accordance with the rules of the CSE. The Option Plan is administered by the Board of Directors, which has authority to amend the Option Plan and the terms of the outstanding options, subject to applicable regulatory and shareholder approvals and provided that no amendment may materially impair the rights of existing option holders in respect of options outstanding prior to the amendment.

Directors

The following information details compensation paid in the recently completed financial year. Directors may receive cash bonuses from time to time, which the Issuer awards to directors for serving in their capacity as a member of the Board of Directors. In addition, directors are entitled to participate in the Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Issuer. During the financial year ended October 31, 2019, the only compensation received by the directors of Yukoterre were the stock option issued as further described in the table under the heading "Compensation Securities" below. Director compensation was determined by the Board of Directors as a whole and subject to input from the Issuer's executive officers and its professional advisors.

The following table provides information regarding the compensation securities granted or issued to each NEO and director of Yukoterre during the year ended October 31, 2019.

Compensation Securities

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price ($)	Closing Price of Security or Underlying Security on Date of Grant ($)	Closing price of security or underlying security at year end ($)	Expiry Date
Kenny Choi, Chief Executive Officer (4)	Stock Options(1)	325,000(2)	September 25, 2019	0.10	N/A(3)	0.09	Sept 25, 2024
Deborah Battiston, Chief Financial Officer	Stock Options(1)	110,000(2)	September 25, 2019	0.10	N/A(3)	0.09	Sept 25, 2024
Fred Leigh, Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Maurice Colson, Director	Stock Options(1)	85,000(2)	September 25, 2019	0.10	N/A(3)	0.09	Sept 25, 2024
Dr. Andreas Rompel, Director	Stock Options(1)	85,000(2)	September 25, 2019	0.10	N/A(3)	0.09	Sept 25, 2024
Rene Bharti, Former Chief Executive Officer and Director(4)	Stock Options(1)	85,000(2)	September 25, 2019	0.10	N/A(3)	0.09	Sept 25, 2024

Notes:
(1) Granted pursuant to the provisions of the Yukoterre's Stock Option Plan as further described herein in the section entitled "Stock Option Plan."
(2) These stock options vested immediately.
(3) The Common Shares began trading on the CSE on September 25, 2019.
(4) Kenny Choi was appointed as the Chief Executive Officer of the Yukoterre on May 8, 2020 following the resignation of Rene Bharti. Mr. Bharti's stock options expired unexercised upon his departure.

Compensation Securities Exercised

No compensation securities were exercised by NEOs or directors during the year ended October 31, 2019.

Silo

The following compensation was made to management of Silo during 2020.

Name and Principal position	Year	Salary ($)(1)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value	All other compensa-tion ($)	Total compensa-tion ($)
					Annual incentive plans	Long-term incentive plans			
Mike Arnold President	2020	67,500 USD	180,000 USD	N/A	N/A	N/A	N/A	N/A	247,500 USD
Tim Jury CFO	2020	N/A	62,500 USD	N/A	N/A	N/A	N/A	N/A	62,500 USD

Note:
(1) The salaries listed above are on a per annum basis.

Following the completion of the Transaction, it is currently anticipated that management of the Resulting Issuer will receive the following compensation:

Name and Principal position	Year	Salary (1)	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensa-tion	Total compensa-tion
					Annual incentive plans	Long-term incentive plans			
Mike Arnold President	2021	US$180,000	N/A	N/A	N/A	N/A	N/A	N/A	US$180,000
Mo Yang COO	2021	C$60,000	N/A	N/A	N/A	N/A	N/A	N/A	C$60,000
Ryan Ptolemy CFO	2021	C$35,000	N/A	N/A	N/A	N/A	N/A	N/A	C$35,000
Douglas Gordon CEO	2021	USD$78,800	N/A	N/A	US$15,600	N/A	N/A	US$24,000	US$118,400

Note:
(1) The salaries listed above are on a per annum basis.

The Resulting Issuer intends to continue Yukoterre's process for determining executive compensation on a relatively informal basis, in view of the size and early stage of the Resulting Issuer and its operations. It is not currently anticipated that the directors of the Resulting Issuer will receive any compensation except for stock options granted under the Option Plan. In addition, it is not anticipated that pension plan benefits of any sort will be awarded to either the directors or officers of the Reporting Issuer.

16. Indebtedness of Directors and Executive Officers

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Resulting Issuer, a proposed nominee for election as a director of the Resulting Issuer, and each associate of any such director, executive officer or proposed nominee,

(a) is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Resulting Issuer or any of its subsidiaries, or

(b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer or any of its subsidiaries.

17. Risk Factors

17.1

The following are certain factors relating to the business of the Resulting Issuer, which factors investors should carefully consider when making an investment decision concerning the securities of the Resulting Issuer.

These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Resulting Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its plans could be adversely affected.

An investment in the Resulting Issuer is highly speculative due to the nature of the Resulting Issuer's business and is subject to certain material risks. Investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer.

Regulatory Risk and Compliance

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Resulting Issuer will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed. Although the Resulting Issuer plans to first develop and launch in Jamaica, where psilocybin, N-dimethyltryptamine, and many other psychedelics are not illegal, the Jamaican Minister of Health could declare these substances illegal and add them to the banned list in terms of the *Dangerous Drugs Act*. Additionally, it is possible that only a few or no other countries may legalize psychedelics in time for investors to receive a satisfactory return on their investment. Investors should assume that future legality is unlikely or uncertain for all proposed or future products and services which could have a material impact on the business of the Resulting Issuer.

Successful execution of the Resulting Issuer's strategy is contingent, in part, upon compliance with regulatory requirements from time to time enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the use of Psychedelic Mushrooms and future products. The Psychedelic Mushroom and broader psychedelics industries are relatively new and the Resulting Issuer cannot predict the impact of the ever-evolving compliance regime in respect of these industry. Similarly, the Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its psychedelic mushrooms, retreats, and future products or services, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Resulting Issuer.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or result in restrictions on the Resulting Issuer's operations, including cessation. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and operating results of the Resulting Issuer.

Regulatory Approval Risks

The development and commercialization activities and product candidates are significantly regulated by several governmental entities, in the jurisdictions where the Resulting Issuer may distribute products or provide services, such as the U.S. Food and Drug Administration and the Jamaican Ministry of Health and comparable authorities in other countries. The Resulting Issuer must comply with regulations concerning the manufacture, testing, safety, effectiveness, labelling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before commercialization of a product in the relevant jurisdiction. Regulatory approvals are required prior to any potential future clinical trials pursued and the Resulting Issuer may fail to obtain the necessary approvals to commence or continue clinical testing. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit, or prevent regulatory approval.

Furthermore, jurisdictions may develop policies against the legalization or de-criminalization of psychedelics, as seen in the United States' cannabis industry with the issuance of memorandum by former U.S. Attorney General Jeff Sessions providing discretion to federal prosecutors to determine whether to prosecute cannabis violations of U.S. federal law, notwithstanding permissive state regulatory regimes. There is no guarantee that legislation legalizing or decriminalizing or otherwise regulating the sale and use of psychedelics in any jurisdiction will be introduced in favour of the activities of the Resulting Issuer in Jamaica, the United States or elsewhere. In addition, any unforeseen and unanticipated changes in, or introduction of legislation in Jamaica and jurisdictions within which the Resulting Issuer conducts business could have a material adverse effect on the business and market of the Resulting Issuer.

New Industry

The Resulting Issuer operates its business in a relatively new industry and market. In addition to being subject to general business risks, the Company must continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the psychedelic therapy industry and market could have a material adverse effect on the Resulting Issuer's business, financial conditions and results of operations.

Political and Emerging Market Risk in Jamaica

The Resulting Issuer conducts operations in Jamaica, an emerging market, and may operate in additional emerging markets in the future. Risks endemic to emerging markets include exposure to high rates of inflation; fluctuations in current exchange rates; the degree to which foreign management and key staff are welcome in country; social and labor unrest; violent crime; expropriation and nationalization; approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require us to formalize local partners through prescribed ownership structures, award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

According to the World Bank (https://www.worldbank.org/en/country/jamaica/overview), while Jamaica is considered an upper middle-income economy, the country nevertheless has issues with low economic growth, high public debt and exposure to global economic trends. In addition, poverty levels are still significant and crime levels remain high. Companies operating in emerging markets have less government regulation and are not subject to as extensive and frequent accounting, financial and other reporting requirements as businesses in more developed countries. The Resulting Issuer continues to monitor developments and policies in Jamaica through its operations and management presence in-country and assess potential impacts on our operations; however, such changes are difficult to predict and may have an adverse effect operations or profitability.

While the books and records of the Resulting Issuer will primarily be kept in Toronto, certain of the operational records will initially be kept in Jamaica and may not be subject to the same record keeping requirements as those found in either Canada or the United States. In addition, owing to the relatively small size of the operations in Jamaica, one person may perform multiple roles when dealing with cash and payment mechanisms, thus leading to potential issues with internal controls. As such, the auditors of the Resulting Issuer may have to undertake additional measures to ensure that ensure the integrity of the financial and accounting information.

Key Personnel

The senior officers and management team of the Resulting Issuer along with certain consultants will be critical to its success. The success of the Resulting Issuer is dependent to a certain degree upon the skills, discretion and good faith of certain key members of management. It is expected that these individuals will contribute significantly to the growth and success of the Resulting Issuer. In the event of the departure of a member of the management team, including senior officers, the Resulting Issuer believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Resulting Issuer grows is critical to its success. As the Resulting Issuer's business activity grows, it will require additional key financial, administrative and technical personnel as well as additional operations staff. If the Resulting Issuer is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Resulting Issuer.

Additional Financing

The Resulting Issuer will require additional financing in order to make further investments or take advantage of future opportunities and to grow its business. The ability of the Resulting Issuer to arrange such financing, or to obtain financing on favourable terms, in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the Resulting Issuer. There can be no assurance that the Resulting Issuer will be successful in its efforts to arrange additional financing on terms satisfactory to the Resulting Issuer. If additional financing is raised by the issuance of Common Shares or other forms of convertible securities from treasury, control of the Resulting Issuer may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Resulting Issuer may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business. If the Resulting Issuer is unable to generate such revenues or obtain such additional financing, shareholders' investment in the Resulting Issuer may be lost. In such event, the probability of resale of the securities of the Resulting Issuer would be diminished.

Limited Operating History

The limited operating history of the Resulting Issuer makes it difficult to evaluate the current business model and future prospects. In light of the costs, uncertainties, delays and difficulties frequently encountered by companies in the early stages of development with limited operating history, there is a significant risk that the Resulting Issuer will not be able to implement or execute its future operational plans, or demonstrate that its business plan is sound; and if the Resulting Issuer cannot execute any one of the foregoing or similar matters relating to its operations, the business may fail.

Negative Cash Flow from Operating Activities

The Resulting Issuer has had very limited revenue and negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Resulting Issuer's existing plans. There is no assurance that its business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, it will be required to obtain additional financing in order to meet its future cash commitments.

Accessing Financial Services

It is anticipated that financial institutions such as banks may adopt policies prohibiting companies, such as the Resulting Issuer, engaged in the business of psychedelics, including the ability to open and maintain bank accounts and otherwise use the services of banks which may have a material adverse effect on our business operations.

Public Perception of the Products and Services

The viability of the Resulting Issuer's business plan is dependent on the anticipated progression of market understanding, acceptance and proliferation of consumers of Functional Mushrooms and psychedelics. Silo believes that as these products become more accepted, the stigma associated with their use will diminish and as a result, consumer demand will continue to grow. However, Silo cannot predict the future growth rate and size of the market. Any negative outlook on the Functional Mushroom or psychedelics industry will adversely affect our business operations. Adverse publicity from scientific studies or otherwise regarding the safety, quality or efficacy of Functional Mushrooms and psychedelics could significantly harm the reputation and results of operations of the Resulting Issuer. From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of reports assessing products similar to those of the Resulting Issuer may be harmful or discredit the utility or efficacy of the Resulting Issuer's products and could have a material adverse effect on the business, financial condition and results of operations, regardless of whether such reports are scientifically supported. Negative public perception on the products of the Resulting Issuer could have a negative impact on the sales of the Resulting Issuer.

Product Recalls and Returns

Functional Mushrooms tinctures, Psychedelic Mushrooms and other products manufactured and/or distributed by the Resulting Issuer may be subject to the recall or return of its products for a variety of reasons, including product defects, contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate product labeling. If any of the products of the Resulting Issuer are recalled or returned due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all due to returns or recalls. In addition, a product recall may require significant management attention. The Resulting Issuer cannot guarantee that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, returns or lawsuits, whether frivolous or otherwise. Regardless of the cause of the recall or return, it is possible that the reputation and goodwill of that product or other products and/or the Resulting Issuer could be significantly harmed. A recall for any of the foregoing reasons could lead to decreased demand for products of the Resulting Issuer and could have a material adverse effect on the business, financial condition and results of operations.

Disruption in Manufacturing or Supply

The Resulting Issuer is dependent on third-party manufacturers for the manufacture of its products sold. The ability of the Resulting Issuer to reach and sustain satisfactory levels of sales could be dependent in part upon the ability of third-party suppliers of raw materials to manufacturers, as well as the ability of any manufacturer and distributor utilized by the Resulting Issuer to properly perform their functions and to comply with local regulations. While outsourcing manufacturing and distribution to third parties may reduce the cost of operations, it also reduces direct control that the

Resulting Issuer has over the products supplied and services rendered. Although the Resulting Issuer attempts to select reputable manufacturers, it is possible that one or more of these providers could fail to perform as expected, particularly in the psychedelics industry, which is nascent. The failure of manufacturers to supply products as required could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Risks Inherent in an Agricultural Business

The Resulting Issuer's business involves the cultivation of mushrooms as an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as biological/microbial contamination, diseases and the application, use, and regulation of pesticides as well as similar agricultural risks. Additional risks for cultivating mushrooms include the availability of raw materials for cultivation on the island of Jamaica. In general, it is presumed that supplies and raw materials are challenging to obtain on the island of Jamaica and any disruption or change to the international supply chain may delay operations of the Resulting Issuer. In addition, the Jamaican *Food and Drugs Act* prohibits the import of drugs which are illegal in their jurisdiction of origin, which necessitates the Resulting Issuer to cultivate Psychedelic Mushrooms within Jamaica only.

Product Liability

As a distributor of products intended for human consumption and ingestion, the Resulting Issuer may be subject to product liability claims, regulatory action and litigation if its products are alleged to have caused loss or injury. The various products of the Resulting Issuer will consist of Functional Mushrooms and psychoactive molecules and other ingredients. Previously unknown or unpredictable adverse reactions resulting from human consumption of these ingredients could occur which could lead to product liability claims against the Reporting Issuer. Any claims against the Resulting Issuer could result in increased costs, materially adverse effects on the financial condition of the Resulting Issuer, its reputation and detract from management time spent on operations.

Insurance Risks

The Resulting Issuer intends to establish and to maintain commercial liability insurance, including product liability coverage, and property insurance as well as additional directors' and officers' liability insurance. There is no assurance that the insurance to be obtained will be sufficient to cover any claims that are asserted. Additionally, insurance coverage may not be available at all or at adequate levels or on adequate terms to cover potential losses, including on terms that meet commercial requirements. If insurance coverage is inadequate or unavailable, the Resulting Issuer may face claims that exceed coverage limits or that are not covered, which could increase costs and adversely affect operating results.

The Functional Mushroom Industry Is or Will Be Highly Competitive

The diet and nutritional supplement industry is highly competitive with respect to price, brand and product recognition and new product introductions. Several competitors in the Functional Mushroom segment may be larger, more established and possess greater financial, personnel, distribution and other resources. The Resulting Issuer will face competition (1) in the health food channel from a limited number of large nationally known manufacturers, retailers, private label brands and many smaller manufacturers of products; and (2) in the mass-market distribution channel from manufacturers, retailers, major private label manufacturers and others. If the Resulting Issuer cannot compete effectively, the Resulting Issuer may be unable to gain or maintain sufficient market share and/or to be profitable.

Consumer Demand

The products of the Resulting Issuer must appeal to a broad range of consumers, whose preferences cannot be predicted with certainty and are subject to rapid change. Products sold under the brands of the Resulting Issuer will need to appeal to consumers and are subject to changing consumer preferences. If consumer products are not successfully received by retailers and consumers, our business, financial condition, results of operations and prospects may be significantly harmed.

Vulnerability to Supply Chain Disruptions, Natural Disasters and Major Health Issues

The Resulting Issuer and its suppliers may be affected by, among other things, disruptions related to major health issues or pandemics, including increases in labour and fuel costs, labour disruptions, regulatory changes, political or economic instability or civil unrest, trade restrictions, tariffs, transport capacity and costs and other factors relating to trade. In particular, major health issues and pandemics may impact commerce and travel and may adversely affect trade and global and local economies. The Resulting Issuer's operations in Jamaica are subject to many hazards endemic to the Caribbean region and elsewhere. These hazards may include adverse impacts to operations, distribution and the impediment of the tourist industry due to the occurrence of natural disasters including hurricanes, tornadoes, floods and fires. The occurrence of any of these risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension (whether temporary or permanent) of the Resulting Issuer's operations.

Pandemics and COVID-19

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. These measures, which include the implementation of travel bans, self-imposed isolation or quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. As a result, the closure of borders and implementation of travel restrictions, including travel bans, may adversely affect the Resulting Issuer's ability to operates its wellness retreats or continue its research and development of products in Jamaica. Global equity markets have experienced significant volatility and weakness. Such volatility and weakness in the global equity markets may adversely affect the Resulting Issuer's ability to raise necessary capital.

Given the ongoing and dynamic nature of the coronavirus outbreak, it is difficult to predict the impact it will have on the Resulting Issuer's business. Such factors are beyond the Resulting Issuer's control and may cause disruptions to its suppliers and its ability to operate its business. This outbreak, if sustained and uncontrolled, could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and cash flows and ultimately its ongoing viability.

Risks Related to Intellectual Property

The success of the Resulting Issuer will depend in part upon its ability to protect intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection held by the Resulting Issuer. The ability to compete effectively and to achieve partnerships will depend on the ability of the Resulting Issuer to develop and maintain proprietary aspects of its technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit the ability of the Resulting Issuer to develop and commercialize products, to conduct existing research and could require financial resources and management attention to protect intellectual property rights, which may be in excess of our ability to raise such funds.

There is no assurance that the Resulting Issuer's pending patent applications will be approved in a form that will be sufficient to protect proprietary technology and gain or keep any competitive advantages or, once approved, will be upheld in any potential proceedings brought by or against any third parties. For instance, it could be determined that prior art exists regarding the claims in the patent application and therefore the claims are not sufficiently novel, that the invention claims are obvious, or that the application was insufficiently written to afford IP protections. Additionally, in the event patent claims are granted, a better capitalized competitor could file competing claims or develop and deploy similar product that could only be stopped with expensive litigation. This risk factor is compounded if other risk factors materialize such as improper capitalization of the Resulting Issuer. Finally, even with protectable IP, the market could reject IP-protected product as an inadequate or unnecessary alternative to other administration and ingestion modalities that are cheaper, more convenient, or better marketed.

Trademark Protection

Silo currently has not obtained any trademarks. Failure to register trademarks for the Resulting Issuer or its products could require the Resulting Issuer to rebrand its products resulting in a material adverse impact on its business.

Profitability

There is no assurance that the Resulting Issuer will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue the Resulting Issuer's business development and marketing activities. Current revenues are not significant as of the date of this listing statement. If the Resulting Issuer does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Management of Growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Public Company Compliance and Reporting Requirements

As a public company, the Resulting Issuer is subject to various securities rules and regulations, which impose various requirements on the Resulting Issuer, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. Compliance with the listing requirements of the CSE and other applicable securities rules and regulation will require the Resulting Issuer to incur significant legal, accounting and other expenses. The Resulting Issuer's management and other personnel will need to devote a substantial amount of time to these compliance initiatives.

Discretion in the Use of Proceeds

Management of the Resulting Issuer will have broad discretion concerning the use of the proceeds of the Private Placement, as well as the timing of their expenditure. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Resulting Issuer's operations may suffer. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds of the Private Placement.

Issuance of Debt

From time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase the Resulting Issuer's debt levels above industry standards for companies of similar size. Depending on future plans, the Resulting Issuer may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Resulting Issuer. Neither the Issuer's nor Silo's constating documents limit the amount of indebtedness that may be incurred and it is not expected that the Resulting Issuer's constating documents will contain such restrictions. As a result, the level of the Resulting Issuer's indebtedness from time to time could impair its ability to operate or otherwise take advantage of business opportunities that may arise.

Dilution

The Resulting Issuer may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Resulting Issuer which may be dilutive to the holdings of existing shareholders.

Price Volatility of Publicly Traded Securities

In recent years, and more specifically in the past year as a result of the coronavirus outbreak, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. A public trading market in the Common Shares having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Common Shares at any given time, which, in turn is dependent on the individual decisions of investors over which the Resulting Issuer has no control. There can be no assurance that an active trading market in securities of the Resulting Issuer will be established or sustained. The market price for the Resulting Issuer's securities could be subject to wide fluctuations, which could have an adverse effect on the market price of the Resulting Issuer. The stock market has, from time to time and more specifically in the past year, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance, net asset values or prospects of particular companies. If an active public market for the Common Shares does not develop, particularly in the current economic climate, the liquidity of a shareholder's investment may be limited and the share price may decline.

Conflicts of Interest

Directors and officers of the Resulting Issuer are or may become directors or officers of other reporting companies or have significant shareholdings in other public companies and, to the extent that such other companies may participate in ventures in which the Resulting Issuer may participate, the directors and officers of the Resulting Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Resulting Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Resulting Issuer, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Resulting Issuer will establish a special committee of independent directors to review a matter in which one or more directors, or officers, may have a conflict. In determining whether or not the Resulting Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Resulting Issuer, the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time. Other than as indicated, the Resulting Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Legal Proceedings

From time to time, the Resulting Issuer may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom we do business and other proceedings arising in the ordinary course of business. The Resulting Issuer will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Resulting Issuer's financial results. In addition litigation can be costly, consume management time and there is no certainty of success.

Foreign Members of Management

Certain members of management of the Resulting Issuer reside outside of Canada. Even though such persons have appointed an agent for service of process in Canada (Chitiz Pathak LLP, 77 King Street West, TD North Tower, Toronto, Ontario M5K 1G8) it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

Dividends

Neither the Issuer nor Silo has paid any dividends on its outstanding shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Resulting Issuer to finance future growth, the financial condition of the Resulting Issuer and other factors which the Resulting Issuer's board of directors may consider appropriate in the circumstance. It is unlikely that the Resulting Issuer will pay dividends in the immediate or foreseeable future.

Foreign Currency Risk

The Resulting Issuer's operations will initially centre around Jamaica, and to a lesser extent the United States. As most, if not all, of the payments received in Jamaica will be in US dollars and reinvested there, there will be no material currency repatriation issues. However, to the extent funds need to be repatriated to Canada, or are received in currencies other than the US and Canadian dollars, the Resulting Issuer may be subject to foreign exchange risks. Receipt of such foreign currencies are subject to the risk that those currencies will decline in value relative to the Canadian dollar, as . currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, rates of inflation, balance of payments and governmental surpluses or deficits, intervention (or the failure to intervene) by Canada or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in Canada or abroad.

Markets for Securities

There can be no assurance that an active trading market in the Common Shares will be established and sustained following Closing. The market price for the Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Resulting Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of Resulting Issuer.

General Economic Conditions May Adversely Affect the Resulting Issuer's Growth

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy in general and the emerging psychedelics industry in particular. Many industries continue to be negatively impacted by these market conditions. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, tax rates may adversely affect the Resulting Issuer's growth and profitability.

"Anti-Inversion" Rules Under U.S. Federal Tax Law May Result in Material Adverse Effects on the Resulting Issuer

The Resulting Issuer, which is and will continue to be a corporation formed pursuant to the OBCA as of the date of this listing statement, generally would be classified as a non-United States corporation under general rules of United States federal income taxation. Section 7874 of the United States Internal Revenue Code of 1986 as amended (the "**U.S. Tax Code**"), however, contains rules that can cause a non-United States corporation to be taxed as a United States corporation for United States federal income tax purposes in certain circumstances. The Resulting Issuer may be subject to the application of the "anti-inversion" rules under U.S. federal tax law, which would result in the Resulting Issuer being treated as a U.S. corporation for U.S. tax purposes. Accordingly, the Resulting Issuer would be subject to U.S. income tax on all of its worldwide income, which could have a material adverse effect on the Corporation's business and financial results. In addition, shareholders could be subject to higher effective tax rates on dividends paid by the Resulting Issuer, and shareholders who are nonresident individuals with respect to the United States would be required to include the value of the shares they hold at death in their taxable estate. Shareholders are urged to consult their own tax advisers regarding the potential adverse tax consequences from the treatment of the Resulting Issuer as a U.S. corporation as a result of the application of the "anti-inversion" regulations under U.S. federal tax law.

17.2 *Additional Securityholder Contributions*

Not applicable.

17.3 Additional Risk Factors

Not applicable.

18. Promoters

Fred Leigh is a promoter of the Resulting Issuer. Mr. Leigh has ownership and control of 2,560,541 Common shares, representing approximately 4.24% of the issued and outstanding shares of the Resulting Issuer as of the date of this Listing Statement. Mr. Leigh does not beneficially own, directly or indirectly, or exercise control over, any voting or equity securities in any subsidiaries of the Resulting Issuer.

No asset was acquired within the two years before the date of the Listing Statement or thereafter, or is to be acquired, by either Yukoterre or the Resulting Issuer, or by a subsidiary of Yukoterre or the Resulting Issuer, from Mr. Leigh.

For further information regarding Mr. Leigh, please refer to Section 13 – *Directors and Officers*.

Mike Arnold is a promoter of the Resulting Issuer. Mr. Arnold has ownership and control of 4,018,750 Common shares, representing approximately 6.66% of the issued and outstanding shares of the Resulting Issuer as of the date of this Listing Statement. Mr. Arnold does not beneficially own, directly or indirectly, or exercise control over, any voting or equity securities in any subsidiaries of the Resulting Issuer.

Mr. Arnold transferred the patent for nasal spray as further described under Section 3- "General Development of the Business- Silo- Psilocybin-Based Nasal Spray" and Section 20- "Interest of Management and Others in Material Transactions" to SW Holdings on September 15, 2019, when SW Holdings became a wholly owned subsidiary of Silo pursuant to a share exchange agreement under which Mr. Arnold received 1,968,750 Silo Shares at a deemed issuance price of US$0.20 per share.

For further information regarding Mr. Arnold, please refer to Section 13 – Directors and Officers, Section 15 – Executive Compensation and Section 20- Interest of Management and Others in Material Transactions.

Mr. Arnold has provided and will continue to provide management and administrative services to the Resulting Issuer for monthly fees, as more particularly outlined under the heading "Directors and Officers" and "Executive Compensation", above.

19. Legal Proceedings

19.1 There are no legal proceedings material to the Resulting Issuer to which the Resulting Issuer or a subsidiary of the Resulting Issuer is a party or of which any of their respective property is the subject matter and no such proceedings are known to the Resulting Issuer to be contemplated.

19.2 *Regulatory actions*

There are no

(a) penalties or sanctions imposed against the Resulting Issuer (or a predecessor entity) by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;

(b) other penalties or sanctions imposed by a court or regulatory body against the Resulting Issuer (or a predecessor entity) necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and

(c) settlement agreements the Resulting Issuer (or a predecessor entity) entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20. Interest of Management and Others in Material Transactions

20.1 The Transaction was negotiated by the parties dealing at arm's length with each other.

The Issuer has not acquired any assets or services within the 36 months prior to the date of this Listing Statement, nor proposes to acquire any assets or services from any director or officer of the Issuer, any principal securityholder of the Issuer, or any affiliate or associate of any such person, save and except for the services of its executive officers (and the compensation paid therefor) as described above. In addition, on September 15, 2019, SW Holdings became a wholly owned subsidiary of Silo pursuant to an arm's length share exchange agreement under which Mike Arnold received 1,968,750 Silo Shares at a deemed issuance price of US$0.20 per share.

21. Auditors, Transfer Agents and Registrars

21.1 *Auditor*

The auditor of the Resulting Issuer is McGovern Hurley, LLP, with its office located at 251 Consumers Road, Suite 800, Toronto, Ontario, M2J 1R3.

21.2 *Transfer Agent*

The transfer agent and registrar for the Resulting Issuer is TSX Trust Company, with its Toronto office located at 301-100 Adelaide Street West, Toronto Ontario, M5H 4H1.

22. Material Contracts

22.1 The following are the material contracts entered into by the Resulting Issuer, other than in the ordinary course of business, within the two years before the date of the Listing Statement:

- the Amalgamation Agreement (see above under the heading "General Development of the Business-Amalgamation Agreement")
- the Escrow Agreement (see above under the heading "Escrowed Securities")
- the Westmoreland Lease (see above under the heading "General Development of the Business- Silo-History Since Inception")
- the Saint James Lease (see above under the heading "General Development of the Business- Silo-History Since Inception")
- the License Agreement (see above under the heading see above under the heading "General Development of the Business- Silo- History Since Inception").

Copies of these agreements will be available for inspection at the offices of the Resulting Issuer located at 65 Queen Street West, Suite 900, Toronto, ON M5H 2M5, at any time during ordinary business hours until the completion of the Transaction and for a period of 30 days thereafter, and under the Resulting Issuer's SEDAR profile located at www.sedar.com.

22.2 *Co-tenancy, unitholders' or limited partnership agreements.*

Not applicable.

23 Interest of Experts

McGovern Hurley LLP, auditors of both Silo and Yukoterre, prepared the auditor's report for the audited financial statements of both Silo and Yukoterre as at and for the fiscal period ended October 31, 2020. They are independent as determined by the Institute of Chartered Accountants of Ontario.

No person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a part of this Listing Statement, or is named as having prepared or certified a report or valuation described or included in this Listing Statement, has received, and is not entitled to receive, any registered or beneficial interest, direct or indirect, in the property of the Resulting Issuer and is not expected to own any securities of the Resulting Issuer or any associate, affiliate or Related Person of the Resulting Issuer.

24. Other Material Facts

24.1 As of the date hereof, there are no other material facts about the Resulting Issuer or the Common Shares that are not disclosed under any item of the Listing Statement and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to Resulting Issuer or the Common Shares.

25. Financial Statements

The following financial statements for Yukoterre, Silo and the Resulting Issuer are provided as follows:

Please see Exhibit "A" to this Listing Statement for the Issuer's audited financial statements for the years ended October 31, 2020 and October 31, 2019 and the related MD&A for these years.

Please see Exhibit "B" to this Listing Statement for Silo's audited financial statements for the period from incorporation (November 20, 2018) to October 31, 2019 and the year ended October 31, 2020 and the related MD&A for these years and periods.

Please see Exhibit "C" to this Listing Statement for the pro forma consolidated financial statements of the Resulting Issuer as at October 31, 2020.

EXHIBIT A

**FINANCIAL STATEMENTS AND
MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER**

Yukoterre Resources Inc.

FINANCIAL STATEMENTS

For the years ended October 31, 2020 and 2019

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Yukoterre Resources Inc.

Opinion

We have audited the financial statements of Yukoterre Resources Inc. (the "Company"), which comprise the statements of financial position as at October 31, 2020 and 2019, and the statements of loss and comprehensive loss, statements of changes in shareholders' (deficiency) equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended October 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 11, 2021

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Yukoterre Resources Inc.

Statements of Financial Position
(Expressed in Canadian dollars)

As at:		October 31, 2020		October 31, 2019
ASSETS				
Current				
Cash	$	**7,419**	$	85,392
Amounts receivable (Note 5)		**17,500**		24,842
Prepaid expenses		**7,350**		-
Total current assets		**32,269**		110,234
Non-current				
Exploration and evaluation asset (Note 6)		**-**		424,707
Total assets	$	**32,269**	$	534,941
LIABILITIES				
Current				
Trade payables and accrued liabilities (Note 7)	$	**234,640**	$	84,620
Loans payable (Note 8)		**11,695**		-
Total current liabilities		**246,335**		84,620
EQUITY				
Share capital (Note 9(b))		**676,957**		676,957
Contributed surplus (Note 10)		**82,979**		91,176
Deficit		**(974,002)**		(317,812)
Shareholders' (deficiency) equity		**(214,066)**		450,321
Total liabilities and equity	$	**32,269**	$	534,941

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 14)

APPROVED ON BEHALF OF THE BOARD

Signed *"Maurice Colson"*, DIRECTOR

Signed *"Fred Leigh"*, DIRECTOR

See accompanying notes to the financial statements

Yukoterre Resources Inc.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the years ended		**October 31, 2020**		October 31, 2019
Expenses				
Consulting and management fees (Note 13)	**$**	**86,772**	$	25,569
Professional fees		**29,906**		79,081
General office expenses		**122,805**		26,686
Stock based compensation (Notes 10 and 13)		**-**		78,245
Loss before the undernoted items		**239,483**		209,581
Impairment of exploration and evaluation asset (Note 6)		**424,707**		-
Interest expense (Note 8)		**197**		5,264
Loss and comprehensive loss for the year	**$**	**664,387**	$	214,845
Basic and diluted loss per share	**$**	**0.06**	$	0.03
Weighted average number of common shares outstanding - basic and diluted (Note 12)		**10,520,541**		6,690,502

See accompanying notes to the financial statements

Yukoterre Resources Inc.

Statements of Shareholders' (Deficiency) Equity
(Expressed in Canadian dollars)

	Common Shares		Contributed Surplus	Accumulated Deficit	(Deficiency) Equity
	#	$	$	$	$
Balance, October 31, 2019	**10,520,541**	**676,957**	**91,176**	**(317,812)**	**450,321**
Options expired (Note 10)	**-**	**-**	**(8,197)**	**8,197**	**-**
Loss and comprehensive loss for the year	**-**	**-**	**-**	**(664,387)**	**(664,387)**
Balance, October 31, 2020	**10,520,541**	**676,957**	**82,979**	**(974,002)**	**(214,066)**
Balance, October 31, 2018	4,920,000	246,000	-	(102,967)	143,033
Shares for debt (Note 9(b))	2,100,541	210,054	-	-	210,054
Private placement (Note 9(b))	3,500,000	350,000	-	-	350,000
Share issue costs (Note 9(b))	-	(129,097)	-	-	(129,097)
Options granted (Note 10)	-	-	91,176	-	91,176
Loss and comprehensive loss for the year	-	-	-	(214,845)	(214,845)
Balance, October 31, 2019	10,520,541	676,957	91,176	(317,812)	450,321

See accompanying notes to the financial statements

Yukoterre Resources Inc.

Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended	October 31, 2020	October 31, 2019
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net loss for the year	**$ (664,387)**	$ (214,845)
Items not involving cash:		
Share-based compensation (Note 10)	**-**	78,245
Impairment of exploration and evaluation asset (Note 6)	**424,707**	-
Accrued interest on loans payable (Note 8)	**197**	5,264
	(239,483)	(131,336)
Net change in non-cash working capital	**200,632**	(11,144)
Net cash flows (used in) operating activities	**(38,851)**	(142,480)
FINANCING ACTIVITIES		
Private placement (Note 9(b))	**-**	350,000
Share issue costs (Note 9(b))	**-**	(116,166)
Loan proceeds (Note 8)	**11,500**	63,300
Loan repayments (Note 8)	**-**	(24,300)
Net cash flows provided by financing activities	**11,500**	272,834
INVESTING ACTIVITIES		
Exploration and evaluation asset (Note 6)	**(50,622)**	(46,022)
Net cash flow (used in) investing activities	**(50,622)**	(46,022)
CHANGE IN CASH DURING THE YEAR	**(77,973)**	84,332
CASH, beginning of the year	**85,392**	1,060
CASH, end of the year	**$ 7,419**	$ 85,392

Supplementary disclosures:		
Finder's options issued (Note 10)	$ -	$ 12,931
Changes in accrued property expenditures	$ (50,622)	$ 49,006
Shares issued for debt settlement (Note 8)	$ -	$ 210,054

See accompanying notes to the financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Yukoterre Resources Inc. (formerly 2560344 Ontario Inc.) (the "Company") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation, dated February 8, 2017, and on October 25, 2017 was renamed Yukoterre Resources Inc. The principal activity of the Company is the exploration and evaluation of coal. Common shares of the Company were approved for listing on the Canadian Securities Exchange on September 20, 2019 and trade under the symbol YT.

The Company's head office is located at 65 Queen Street West, 9th floor, Toronto, Ontario, M5H 2M5, Canada.

On August 25, 2020, the Company announced that it has entered into an amalgamation agreement (the "Amalgamation Agreement") with FlyOverture Equity Inc., operating as Silo Wellness ("Silo"), and 1261466 BC Ltd. ("Yukoterre Subco"), a wholly-owned subsidiary of the Company, which was incorporated on August 14, 2020. Completion of the transactions contemplated in the Amalgamation Agreement will result in the reverse takeover of the Company by Silo (the "Proposed Transaction"). The Proposed Transaction will constitute a "Fundamental Change" of the Company, as defined by the policies of Canadian Securities Exchange (the "CSE"). There can be no assurance that the Proposed Transaction will be completed on the terms agreed or at all.

Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The business of exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable coal operations. The Company's continued existence is dependent upon the acquisition of properties, preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company does not have any operating assets that generate revenues, does not have proven reserves and incurred a net loss of $664,387 during the year ended October 31, 2020 (October 31, 2019 - $214,845). As at October 31, 2020, the Company had a working capital deficit of $214,066 (October 31, 2018 – surplus of $25,614) and an accumulated deficit of $974,002 (October 31, 2019 - $317,812). These conditions indicate the existence of material uncertainties 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 on the Company's ability to obtain additional financing if, as and when required.

These financial statements do not give effect to adjustments that would be necessary and could be material to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

2. BASIS OF PRESENTATION

The following is a summary of significant accounting policies used in the preparation of these financial statements.

Statement of compliance

These financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations
Committee ("IFRIC") effective for the Company's reporting for the year ended October 31, 2020.

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted. These financial statements were approved and authorized by the Board of Directors of the Company on February 11, 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies

The following is a summary of significant accounting policies used in the preparation of these financial statements for the year end October 31, 2020 and have been approved by the Audit Committee of the Company.

Foreign currency transactions

The presentation currency and functional currency of the Company is the Canadian dollar. Transactions in foreign currencies are recorded in the functional currency at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit and loss.

Provisions

General
Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event, and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of operations, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of operations.

Decommissioning obligations
The Company records a liability for the fair value of legal or constructive obligations associated with the decommissioning of long-lived tangible assets in the period in which they are incurred. The decommissioning liability is recognized at the present value of the estimated future cash flow associated with the decommissioning of the applicable assets or properties. On recognition of the liability there is a corresponding increase in the carrying amount of the related asset known as the decommissioning cost, which is depleted on a unit-of-production basis over the life of the reserves. The liability is adjusted each reporting period to reflect the passage of time using the discount rate, with the interest charged to earnings, and for revisions to the estimated future cash flows. Actual costs incurred upon settlement of the obligations are charged against the liability.

As at October 31, 2020 and 2019, the Company did not have any material decommissioning obligations.

Cash

Cash includes cash on hand and deposits held with banks that have a maturity of less than three months at the date they are acquired. The Company did not have any cash equivalents as at October 31, 2020 and 2019.

Amounts receivable

Amounts receivable are amounts that are due from others in the normal course of business. If collection is expected in one year or less, they are classified as current assets; if not, they are presented as non-current assets and discounted accordingly. Accounts receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less any provision for impairment.

Exploration and evaluation assets

Exploration and evaluation assets include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves. Costs incurred before the Company has obtained the legal right to explore an area are recognized in profit and loss.

Exploration and evaluation costs relating to the acquisition of, exploration for and development of mineral properties are capitalized and include, but are not restricted to: drilling, trenching, sampling, surveying and gathering exploration data; calculation and definition of mineral resource; test work on geology, metallurgy, mining, geotechnical and geophysical; and conducting geological, geophysical, engineering, environmental, marketing and financial studies.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation activities involve the search for mineral resources/reserves, the assessment of technical and operational feasibility and the determination of an identified mineral reserve's commercial viability. Once the legal right to explore has been acquired, exploration and evaluation expenditures less recoveries are capitalized by property.

Capitalized exploration and evaluation assets for a project are classified as such until the project demonstrates technical feasibility and commercial viability. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, capitalized exploration and evaluation assets are transferred to mine development costs. Technical feasibility and commercial viability generally coincides with the establishment of proven and probable reserves and/or a decision to commence construction of a mine; however, this determination may be impacted by management's assessment of certain modifying factors including: legal, environmental, social and governmental factors. All subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within mine development costs.

All capitalized exploration and evaluation assets are monitored for indications of impairment. Indicators of impairment may include, but are not limited to:

- the period for which the right to explore is less than one year;
- further exploration expenditures are not anticipated;
- a decision to discontinue activities in a specific area; and
- the existence of sufficient data indicating that the carrying amount of an exploration and evaluation asset is unlikely to be recovered from the development or sale of the asset.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that mine development assets are not expected to be recovered, they are charged to profit and loss.

Impairment of non-financial assets

The carrying values of exploration and evaluation assets are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

For exploration and evaluation assets, indicators of impairment would include expiration of a right to explore, no budgeted or planned material expenditures in an area or a decision to discontinue exploration in a specific area. Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets. This generally results in the Company evaluating its non-financial assets on a geographical basis. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of loss so as to reduce the carrying amount to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of loss.

Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or through fair value of other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss and comprehensive loss. In these financial statements, cash is classified as amortized cost.

Subsequent measurement – Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss and comprehensive loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of loss and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade payables and accrued liabilities and loans payable which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. In these financial statements, trade payables and accrued liabilities and loans payable are classified as amortized cost.

Subsequent measurement – Financial liabilities at FVPL

Financial liabilities measured at FVPL include any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss and comprehensive loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss and comprehensive loss.

Share capital

Proceeds from the issuance of common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Interest income

Interest income is reported on an accrual basis using the effective interest method.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Stock-based compensation

The Company records compensation cost associated with equity-settled share-based awards based on the fair value of the equity instrument at the date of grant. The fair value of stock options and compensation options is determined using the Black-Scholes option pricing model. The compensation expense is recognized on a straight-line basis over the vesting period, if any, based on the estimate of equity instruments expected to vest. The estimate of options expected to vest is revised at the end of each reporting period. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

When options are exercised, the proceeds received, together with any related amount in the option reserves within equity, is credited to share capital. On expiry, any amount related to the initial value of the stock option or compensation option is recorded to deficit.

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share is calculated by assuming that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards

The Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 16 and IFRIC 23. There was no material impact on the Company's financial statements as result of the adoption of these new standards. Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after November 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1, Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. The Company will adopt these amendments as of their effective date, and is currently assessing the impact of adoption.

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTIES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results could differ from those estimates and these estimates could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets and goodwill. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's assets, costs to sell the assets and the appropriate discount rate.

Reductions in coal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them.

Contingencies and provisions

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against us or un-asserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or un-asserted claims or actions as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets are not recognized in the financial statements.

5. AMOUNTS RECEIVABLE

The amounts receivable balance as at October 31, 2020 and 2019, consisted of amounts receivable from the Government of Canada for Harmonized Sales Taxes (HST).

	October 31, 2020	October 31, 2019
Government of Canada HST	**$ 17,500**	$ 24,842
Total	**$ 17,500**	$ 24,842

6. EXPLORATION AND EVALUATION ASSET

Incurred during the years ended:	**October 31, 2020**	October 31, 2019
Description		
Consulting and technical	**$ -**	$ 34,562
Travel	**-**	39,390
Reports	**-**	605
Drilling and assay	**-**	20,471
Total exploration and evaluation asset	**$ -**	$ 95,028

Balance as at October 31, 2018	$ 329,679
Capitalized expenditures during the year	95,028
Balance as at October 31, 2019	**$ 424,707**
Impairment	(424,707)
Balance as at October 31, 2020	**$ -**

As at October 31, 2020, the Company fully impaired its exploration and evaluation asset as it intends to change its business and not conduct further activities on the asset. See Note 1.

7. TRADE PAYABLES AND ACCRUED LIABILITIES

As at:	**October 31, 2020**	October 31, 2019
Trade payables	**$ 201,640**	$ 73,120
Accrued liabilities	**33,000**	11,500
Total trade payable and accrued liabilities	**$ 234,640**	$ 84,620

Trade payables and accrued liabilities are generally unsecured and non-interest bearing and are expected to be settled on 30 to 60-day terms.

8. LOANS PAYABLE

On December 13, 2018, the Company entered into a loan agreement with Sulliden Mining Capital Inc. for $10,000. The loan was interest free with no specific maturity date. This loan was paid on September 24, 2019.

The Company entered into various loan agreements with 2227929 Ontario Inc. between December 2017 and January 2019. Pursuant to the terms of the loans, 2227929 Ontario Inc. agreed to lend the Company $196,000 at an interest rate of 12%. On February 27, 2019, the Company issued 2,100,541 common shares at $0.10 per share to settle the loans and interest totaling $210,054 to 2227929 Ontario Inc. (See Note 9(b)). 2227929 Ontario Inc. loaned a further $14,300 in unsecured loans to the Company from March 8, 2019 to May 10, 2019. These loans were unsecured and had no interest accruing and were paid on September 24, 2019 with the proceeds from the Initial Public Offering ("IPO"). 2227929 Ontario Inc. loaned a further $8,000 in unsecured loans to the Company in September and October 2020. These loans were unsecured and had an interest rate of 12%. The Company shall repay the loans in full no later than 18 months from the issuance dates, and the Company may repay the loans at any time prior to the end of the term.

On August 13, 2020, the Company entered into a loan agreement with Forbes & Manhattan Inc. for $3,500. The loan was unsecured and had an interest rate of 12%. The Company shall repay the loan in full no later than 18 months from the issuance date, and the Company may repay the loan at any time prior to the end of the term.

9. CAPITAL STOCK

a. Authorized

Unlimited number of common shares, without par value

b. Common shares issued

	Number of shares	**Stated value $**
Balance as of October 31, 2018	**4,920,000**	**$ 246,000**
Shares for debt settlement	2,100,541	210,054
Private placement	3,500,000	350,000
Share issue costs	-	(129,097)
Balance as of October 31, 2019 and October 31, 2020	**10,520,541**	**$ 676,957**

On February 27, 2019, the Company issued 2,100,541 common shares at $0.10 per share to settle the loans with 2227929 Ontario Inc. in the amount of $210,054.

Pursuant to an escrow agreement (the "Escrow Agreement") made as of June 26, 2019, among the Company, the Escrow Agent and certain Principals of the Company, the Principals agreed to deposit in escrow their 2,560,541 common shares (the "Escrowed Securities") with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Common Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6 month interval thereafter, over a period of 36 months. As at October 31, 2020, 2,560,541 (October 31, 2019 – 2,560,541) shares remain in escrow.

9. CAPITAL STOCK (CONTINUED)

On September 24, 2019, the Company completed its Initial Public Offering ("IPO") and issued 3,500,000 common shares at $0.10 per common share for gross proceeds of $350,000. In connection with the financing, the Company paid PI Financial Corp., a commission and corporate finance fee of $78,413. The Company also issued 245,000 compensation options to PI Financial Corp. with a grant date fair value of $12,931 (see Note 10) with an exercise price of $0.10 and expiry date of September 24, 2021. There was also $37,753 of professional fees incurred for the IPO.

10. OPTIONS

The Company has a stock option plan whereby it may grant options for the purchase of common shares to any director, officer or consultant of the Company. The aggregate number of shares that may be issuable pursuant to options granted under the Company's stock option plan will not exceed 10% of the issued common shares of the Company (the "Shares") at the date of grant. The options are non-transferable and non-assignable and may be granted for a term not exceeding five years. The exercise price of the options will be determined by the board at the time of grant, but in the event that the Shares are traded on the Canadian Security Exchange or any other stock exchange (the "Exchange"), may not be less than the closing price of the Shares on the Exchange on the trading date immediately preceding the date of grant, subject to all applicable regulatory requirements.

Information relating to share options outstanding as at October 31, 2020 is as follows:

	Number of Options	Weighted average exercise price
Balance, October 31, 2018	-	$ -
Granted	1,295,000	0.10
Balance, October 31, 2019	1,295,000	$ 0.10
Expired	(110,000)	0.10
Balance, October 31, 2020	1,185,000	$ 0.10

Date of expiry	Options outstanding	Options exercisable	Exercise price	Grant date fair value vested	Remaining life in years
September 24, 2021	245,000	245,000	$0.10	$ 12,931	0.90
September 25, 2024	940,000	940,000	$0.10	70,048	3.90
	1,185,000	1,185,000		$ 82,979	3.28

In relation to the IPO, on September 24, 2019, the Company granted 245,000 compensation options to PI Financial Corp. with an exercise price of $0.10 per common share. The fair market value of the options was estimated to be $12,931 using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.52%, expected volatility of 100%, an estimated life of 2 years and an expected dividend yield of 0%.

On September 25, 2019, the Company granted 1,050,000 options to directors, officers and consultants of the Company with exercise price of $0.10 per common share. The fair market value of the options was estimated to be $78,245 using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.34%, expected volatility of 100%, an estimated life of 5 years and an expected dividend yield of 0%. During the year ended October 31, 2020, 110,000 of these stock options expired upon the departure of a consultant. An amount of $8,197 was reversed from contributed surplus and charged to deficit.

11. INCOME TAXES

a. Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2019 – 26.5%) were as follows:

	2020 $	2019 $
(Loss) before income taxes	**(664,387)**	(214,845)
Expected income tax recovery based on statutory rate	**(176,000)**	(57,000)
Adjustment to expected income tax benefit:		
Stock based compensation	**-**	21,000
Other	**(4,000)**	-
Change in benefit of tax assets not recognized	**180,000**	36,000
Deferred income tax provision (recovery)	**-**	-

b. Deferred income tax balances

Deferred tax assets have not been recognized in respect of the following deductible temporary differences as it is not probable that future taxable profit will be available against which the Company can use the benefits.

	2020 **$**	2019 $
Non-capital loss carry-forwards	**531,000**	263,000
Share issue costs	**77,000**	93,000
Exploration property	**425,000**	-
Total	**1,033,000**	356,000

As at October 31, 2020, the Company had estimated non-capital loss for Canadian income tax purposes of approximately $531,000 available to use against future taxable income. The non-capital tax losses expire after 20 years.

	$
2036	41,500
2037	61,500
2038	160,000
2039	2,600
2039	265,500
	$ 531,100

12. NET LOSS PER SHARE

The number of shares used to calculate the basic and diluted net loss per share for the year ended October 31, 2020 and 2019 is the weighted average number of common shares outstanding of 10,520,541 and 6,690,502. Outstanding options were antidilutive and excluded from the diluted loss per share calculation.

13. RELATED PARTY DISCLOSURES

Key management personnel compensation

In addition to their contracted fees, directors and officers also participate in the Company's share option program. Certain executive officers are subject to termination notices of 24 months and change of control contingent provisions (Note 14). Key management personnel compensation comprised:

For the years ended:		October 31, 2020		October 31, 2019
Directors and officers' compensation	$	**47,400**	$	5,300
Share-based payments		**-**		51,418
	$	**47,400**	$	56,718

The Company entered into loan agreements with 2227929 Ontario Inc., and Sulliden Mining Capital Inc. 2227929 Ontario Inc. is a company wholly owned by Fred Leigh, who has been a director of the Company since January 14, 2019. Deborah Battiston is a former director and officer of Sulliden Mining Capital Inc. who is also the chief financial officer of the Company. On September 23, 2019, there were loans to the Company in the amount of $14,300 from 2227929 Ontario Inc. and $10,000 from Sulliden Mining Capital Inc. These loans were paid on September 24, 2019 with the proceeds from the IPO (See Note 9). Refer to Note 8 for debt settlement of loan for common shares with 2227929 Ontario Inc in the amount of $210,054 of which $196,000 was principal and $14,054 was interest. In September and October 2020, 2227929 Ontario Inc. advanced further loans of $8,000 (See Note 8). During the year ended October 31, 2020, the Company incurred expenses for consulting, rent and promotion services in the amount of $28,216 and prepaid expenses of $6,000 from 2227929 Ontario Inc.

As at October 31, 2020, $64,013 (October 31, 2019 - $nil) was owing to related parties and was included in trade payables and accrued liabilities, and are unsecured, non-interest bearing and due on demand.

14. COMMITMENTS AND CONTINGENCIES

Management contracts

The Company is party to certain management contracts. Currently, these contracts require payments of $190,800 as at October 31, 2020 (October 31, 2019 - $190,800) to be made upon the occurrence of a change in control to the officers of the Company. The Company is also committed to payments upon termination of approximately $131,700 (October 31, 2019 - $141,300) pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these financial statements. During the year ended October 31, 2020, management signed settlement agreements whereby pursuant to the Proposed Transaction with FlyOverture Equity Inc. as disclosed in Note 1, the consultants would resign. As consideration for delivering their resignation, the Company shall issue to the management consultants 763,200 common shares of the Company in full and final satisfaction of the change in control provisions. There can be no assurances that the Proposed Transaction will be completed as disclosed or at all and therefore, no amounts have been recorded related to the control settlement arrangements..

Contingencies

Coal operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses and permits from various governmental authorities in the countries in which it operates. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

14. COMMITMENTS AND CONTINGENCIES (continued)

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments as at October 31, 2020, consisted of cash, amounts receivable, trade payables and accrued liabilities and loans payable and the amounts reflected in the statement of financial position approximate fair value due to the short-term maturity of these instruments (except loans payable) and the interest rate approximating market rate for the loans payable.

Financial instruments recorded at the reporting date at fair value are classified into one of three levels based upon the fair value hierarchy. Items are categorized based on inputs used to derive fair value based on:

Level 1 - quoted prices that are unadjusted in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset/liability either directly or indirectly; and
Level 3 - inputs for the instruments are not based on any observable market data.

The Company has no financial instruments subsequently measured at fair value.

Risk management overview

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and receivables. Cash is held with a reputable Canadian financial institution, from which management has assessed an insignificant loss allowance is appropriate.

The carrying amount of amounts receivable represents the maximum credit exposure. As at October 31, 2020, the Company's total receivable was $17,500 (October 31, 2019 – $24,842) from the Government of Canada for Harmonized Sales Taxes (HST). There were no derivative instruments held at October 31, 2020 and October 31, 2019.

Market risk

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates, and foreign exchange rates, will affect the Company's net income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing the Company's returns.

(i) Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for coal are impacted by not only the relationship between the Canadian and United States dollar, as outlined below, but also global economic events that dictate the levels of supply and demand. Lower commodity prices can also reduce the Company's ability to raise capital. As the Company is not generating revenues, commodity price risk does not directly impact the Company's financial results.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(ii) Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates.

As at October 31, 2020 and 2019, the Company had the following asset denominated in foreign currency:

October 31, 2020	USD$
Cash at bank	20
	20

October 31, 2019	USD$
Cash at bank	20
	20

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of trade payables and accrued liabilities and loans payable. As at October 31, 2020 and 2019, the Company had a cash balance of $7,419 (2019 - $85,392) to settle current liabilities of $246,335 (2019 - $84,620). Most of the Company's financial liabilities have maturities of less than 30 days and are subject to normal trade terms.

The Company prepares annual capital expenditure budgets, which are monitored and updated as considered necessary. Financial modeling is used to provide economic outlooks and the Company utilizes authorizations for expenditures on projects to monitor capital expenditures.

Trade payables consists of invoices payable to trade suppliers for administration expenditures. The Company processes invoices within a normal payment period. Trade payables have contractual maturities of less than one year.

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and amounts receivable at amortized cost. Trade payables and accrued liabilities and loans payable are classified for accounting purposes at amortized cost. As of October 31, 2020, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the short term maturity of these instruments.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Financial instrument classification	**Carrying amount**		**Fair value**	
		2020	2019	**2020**	2019
Financial assets:					
Cash	Amortized cost	**$ 7,419**	$ 85,392	**$ 7,419**	$ 85,392
Amounts receivable	Amortized cost	**17,500**	24,842	**17,500**	24,842
Financial liabilities:					
Trade payables and accrued liabilities	Amortized cost	**234,640**	84,620	**234,640**	84,620
Loans payable	Amortized cost	**11,695**	-	**11,695**	-

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

(i) Cash is subject to floating interest rates. As at October 31, 2020, if interest rates had decreased/increased by 1% with all other variables held constant, there would not have been a material impact to the loss for the year ended October 31, 2020 given the low level of cash on hand throughout the year.

(ii) Cash, accounts payable and provisions denominated in US dollars are subject to foreign currency risk. As at October 31, 2020, had the US dollar weakened/strengthened by 5% against the Canadian dollar with all other variables held constant, there would have been a change of approximately $nil (2019 - $1) in the Company's net loss.

16. CAPITAL MANAGEMENT

The Company considers the aggregate of its common shares, contributed surplus and deficit as capital. The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

At October 31, 2020, the Company has no cash-generating operations; therefore, the only source of cash flow is generated from financing activities or loans. The Company's officers and senior management are in the process of searching for additional business opportunities. Potential business activities are appropriately evaluated by senior management and a formal review and approval process has been established at the Board of Directors' level. The Company may enter into new financing arrangements to meet its objectives for managing capital, until such time as a viable business activity is operational and the Company can thereby internally generate sufficient capital to cover its operational requirements.

The Company's officers and senior management take full responsibility for managing the Company's capital and do so through quarterly meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process.

Yukoterre Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended October 31, 2020 and 2019

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This Management's Discussion and Analysis ("MD&A") relates to the financial position and results of Yukoterre Resources Inc. (the "Company") for the year ended October 31, 2020. This MD&A should be read in conjunction with the audited financial statements for the year ended October 31, 2020 and 2019. Unless otherwise noted, all references to currency in this MD&A are in Canadian dollars.

All financial statement information discussed in this MD&A have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due.

The Company's certifying officers are responsible for ensuring the financial statements do not contain any untrue statement of material fact or omit a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the financial statements fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as of the date hereof. The Board of Directors approves the financial statements and ensures that management has discharged its financial responsibilities. The Board of Directors' review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

This MD&A is as of February 11, 2021. The reader should be aware that historical results are not necessarily indicative of future performance.

OVERVIEW

The Company is an independent Canadian coal exploration company focused on pursuing the exploration, evaluation and development of resource assets. Yukoterre Resources Inc., formerly 2560344 Ontario Inc., was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation, dated February 8, 2017, and on October 25, 2017 was renamed Yukoterre Resources Inc. The principal activity of the Company is the exploration and evaluation of coal. Common shares of the Company were approved for listing on the Canadian Securities Exchange on September 20, 2019 and trade under the symbol YT.
The Company's head office is located at 65 Queen Street West, 9th floor, Toronto, Ontario, M5H 2M5, Canada.

On August 25, 2020, the Company announced that it has entered into an amalgamation agreement (the "Amalgamation Agreement") with FlyOverture Equity Inc., operating as Silo Wellness ("Silo"), and 1261466 BC Ltd. ("Yukoterre Subco"), a wholly-owned subsidiary of the Company, which was incorporated on August 14, 2020. Completion of the transactions contemplated in the Amalgamation Agreement will result in the reverse takeover of the Company by Silo (the "Proposed Transaction"). The Proposed Transaction will constitute a "Fundamental Change" of the Company, as defined by the policies of Canadian Securities Exchange (the "CSE"). There can be no assurance that the Proposed Transaction will be completed on the terms agreed or at all.

DIVISION MOUNTAIN

On August 8, 2017, the Company entered into a purchase agreement with PitchBlack Resources Ltd. in respect of the purchase of the Division Mountain Property in the Yukon Territory. The Division Mountain Property is located 90 km northwest of Whitehorse in Yukon Territory. The purchase included a total of 15 coal licenses (CYW0143 to CYW0157) and five coal leases. In late 2018, the Corporation renewed four of the coal licenses (CYW0154 to CYW0157) which covers the Division Mountain Property. The remaining coal license, which covered areas outside of the Division Mountain Property, was allowed to lapse.

On August 21, 2017, the Company, closed the purchase of the Division Mountain Property in consideration for cash payment of $100,000 to PitchBlack Resources Ltd. (a NEX-listed company at the time). The Corporation assumed all property maintenance payments and obligations and indemnified PitchBlack Resources Ltd. against any environmental or reclamation obligations and liabilities. The Corporation is not a related party to PitchBlack Resources Ltd., its officers, directors or other insiders. The sale transaction was an arm's length transaction for the purposes of the policies of the NEX Board of the TSX Venture Exchange. This transaction was approved by the NEX Board of the TSX Venture Exchange.

Since acquiring the Division Mountain Property, the Company has been focused on (a) reviewing historical drill reports and technical reports in respect of the Division Mountain Property to identify areas warranting further exploration and development and (b) conducting a drilling program in the northeast corner of Pit 4 of the Division Mountain Property to test the possible extension of coal seams in the area and to verify pit wall boundaries. In 2018, the Company conducted a total of four (4) rotary air blast ("RAB") drill holes for a total of 409 feet (the "2018 Drill Program") at a cost of $109,838. Management reviewed the results of the 2018 Drill Program, along with historical drill reports and technical reports in respect of the Division Mountain Property and has developed a Phase 1 exploration plan for the Division Mountain Property (the "Phase 1 Exploration Program"). This program was completed on October 3, 2019.

As at July 31, 2020, the Company fully impaired its exploration and evaluation asset as it intends to change its business. See Overview section above.

ANNUAL HIGLIGHTS

On February 27, 2019, the Company issued 2,100,541 common shares at $0.10 per share to settle the $210,054 loan with 2227929 Ontario Inc.

On September 24, 2019, the Company completed its IPO and issued 3,500,000 common shares at a price of $0.10 per common share for gross proceeds of $350,000. The net proceeds from the IPO is used for working capital and to carry out the Phase 1 exploration program at the Division Mountain coal deposit.

PI Financial Corp. acted as agent (the "Agent") for the IPO. The Agent received a cash commission and a corporate finance fee in consideration for its services of $78,413. Additionally, the Company granted the Agent compensation options entitling the holder to purchase in aggregate 245,000 common shares at a price of $0.10 per common share, exercisable on or before September 24, 2021.

The common shares of the Company were approved for listing on the Canadian Securities Exchange on September 20, 2019 and began trading on September 25, 2019 under the symbol YT.

On September 25, 2019, the Company granted 1,050,000 options to directors, officers and consultants of the Company with exercise price of $0.10 per common share.

OUTLOOK

The Company's ongoing focus is to enhance shareholder value by identifying undervalued and producing assets with exploration upside potential and near term cash flow. Pursuant to the 2018 Drill Program and after the review of historical drill reports and technical reports, management has developed the Phase 1 Exploration Program, as recommended in the Technical Report, for the Division Mountain Property. Management used the proceeds from the IPO to implement the Phase 1 Exploration Program.

SELECTED YEARLY INFORMATION

Year ended	**October 31, 2020**	**October 31, 2019**	**October 31, 2018**
Funds (used in) operating activities	$ (38,851)	$ (142,480)	$ (39,781)
Loss and comprehensive loss for the year	664,387	214,845	61,484
Loss per share	0.06	0.03	0.01
Total assets	$ 32,269	$ 534,941	$ 331,989
Shares outstanding at year end	10,520,541	10,520,541	4,920,000

For the year ended October 31, 2020, the Company reported a loss of $664,387 or $0.06 per share. For the year ended October 31, 2019, the Company reported a loss of $214,845 or $0.03 per share. The Company had a working capital deficit of $214,066 for the year ended October 31, 2020 compared to a working capital surplus of $25,614 for the year ended October 31, 2019.

The Company has and expects to continue to report negative earnings until the Company's exploration program finds and develops producing assets. The Company will continue to utilize proceeds from financing and equity issuances to fund its exploration program and general and administrative operating costs.

As at October 31, 2020, the Company had no operating assets and expects to generate negative cash flow from operations for the foreseeable future.

SELECTED QUARTERLY INFORMATION

Three months ended	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Funds (used in) operating activities	$ 44,153	$ (6,882)	$ (7,921)	$ (68,201)	$ (86,803)	$ 1,319	$ (17,850)	$ (39,146)
Loss and comprehensive loss for the period	129,641	458,308	32,055	44,383	169,499	7,947	20,496	16,903
Loss per share	0.01	0.04	0.00	0.00	0.02	0.00	0.00	0.01
Total assets	32,269	7,574	437,768	446,632	534,941	362,448	356,681	365,178
Shares outstanding at end of period	10,520,541	10,520,541	10,520,541	10,520,541	10,520,541	7,020,541	7,020,541	4,920,000

REVIEW OF FINANCIAL RESULTS

Selected Financial Information

Three months ended	October 31, 2020	July 31, 2020	April 30, 2020	Jan 31, 2020	Oct 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Loss and comprehensive loss for the period	$ 129,641	$ 458,308	$ 32,055	$ 44,383	$ 169,499	$ 7,947	$ 20,496	$ 16,903
Loss per share	0.01	0.04	0.00	0.00	0.02	0.00	0.00	0.00
General and administrative:								
Consulting and management fees	22,792	14,250	18,864	30,866	10,769	600	6,600	7,600
Professional fees	14,651	11,000	1,255	3,000	70,291	2,355	2,500	3,935
General office expenses	92,001	8,351	11,936	10,517	10,194	4,992	11,396	104
	$ 129,444	$ 33,601	$ 32,055	$ 44,383	$ 169,499	$ 7,947	$ 20,496	$ 11,639

Expenses

For the period:	**Three months ended October 31, 2020**	Three months ended October 31, 2019	**Year ended October 31, 2020**	Year ended October 31, 2019
Expenses				
Consulting and management fees	**$ 22,792**	$ 10,769	**$ 86,772**	$ 25,569
Professional fees	**14,651**	70,291	**29,906**	79,081
General office expenses	**92,001**	10,194	**122,805**	26,686
Impairment of exploration and evaluation asset	**-**	-	**424,707**	-
Stock-based compensation	**-**	78,245	-	78,245
Interest expense	**-**	-	**197**	5,264
Total	**$ 129,444**	$ 169,499	**$ 664,387**	$ 214,845

The Company recorded consulting and management fees of $22,792 and $86,772 for the three months and year ended October 31, 2020 and $10,769 and $25,569 for the three months and year ended October 31, 2019.

The Company recorded $14,651 and $29,906 in professional fees for the three months and year ended October 31, 2020 for audit fees. For the three months and year ended October 31, 2019, the Company recorded $70,291 and $79,081 in professional fees. $54,365 in legal fees and $12,252 in accounting fees were incurred for the IPO.

General office expenses of $92,001 and $122,805 for the three months and year ended October 31, 2020 relate to office costs, filing fees and shareholder communications. The Company recorded general office expenses of $10,194 and $26,686 for the three months and year ended October 31, 2019. $21,478 was spent on filing fees for the IPO. The Company strives to minimize general and administrative type expenses.

The Company recorded stock-based compensation of $78,245 for the three months and year ended October 31, 2019. On September 25, 2019, the Company granted 1,050,000 options to directors, officers and consultants of the Company with exercise price of $0.10 per common share. The fair market value of the options was estimated using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.34%, expected volatility of 100%, an estimated life of 5 years and an expected dividend yield of 0%.

CASH FLOWS

Year end	October 31, 2020	October 31, 2019	October 31, 2018
Cash flows (used in) operating activities	$ (38,851)	$ (142,480)	$ (39,781)
Cash flows (used in) financing activities	11,500	272,834	157,000
Cash flows (used in) investing activities	(50,622)	(46,022)	(125,004)
Net change in cash	$ (77,973)	$ 84,332	$ (7,785)

Three months ended	October 31, 2020	July 31, 2020	April 30, 2020	Jan 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Cash flows (used in) operating activities	44,153	(6,882)	(7,921)	(68,201)	(86,803)	1,319	$ (17,850)	$ (39,146)
Cash flows (used in) financing activities	11,500	-	-	-	209,534	4,800	9,500	49,000
Cash flows (used in) investing activities	-	-	-	-	(38,454)	(6,551)	-	(1,017)
Net change in cash	$ 55,653	$ (6,882)	$ (7,921)	$ (68,201)	$ 84,277	$ (432)	$ (8,350)	$ 8,837

Cash used in operating activities for the three months ended October 31, 2020 of $6,469 resulted from the payment of accounts payable. Cash used in operating activities for the year ended October 31, 2020 was $89,473. Uses during the current period were primarily related to consulting and professional fees. Cash used for operating activities for the three months and year ended October 31, 2019 was $86,803 and $142,480 respectively. Cash was also utilized for the underwriting, payment of commission and financing costs for the IPO.

For the three months and year ended October 31, 2020, the Company received proceeds from loans payable of $11,500. For the three months and year ended October 31, 2019, the Company raised $350,000 from its IPO on September 24, 2019. There were $116,166 of cash share issue costs related to the financing. With the proceeds from the IPO, the Company made loan repayments to 227929 Ontario Inc. in the amount of $14,300 and $10,000 for Sulliden Mining Inc.

Investing activities for developing the Division Mountain asset used $50,622 and $50,622 for the three months and year ended October 31, 2020 compared to $38,454 and $46,022 for the three months and year ended October 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

The Company entered into various loan agreements with 2227929 Ontario Inc. between December 2017 and January 2019.

Pursuant to the terms of the loans, 2227929 Ontario Inc. agreed to lend the Company $196,000 at an interest rate of 12%. On February 27, 2019, the Company issued 2,100,541 common shares at $0.10 per common share to settle the loans and interest totaling $210,054 to 2227929 Ontario Inc. 2227929 Ontario Inc. loaned a further $14,300 in unsecured loans to the Company from March 8, 2019 to May 10, 2019. These loans were unsecured and had no interest accruing and were paid on September 24, 2019 with the proceeds from the IPO.

On December 13, 2018, the Company entered into a loan agreement with Sulliden Mining Capital Inc. for $10,000. The loan was interest free with no specific maturity date. This loan was paid on September 24, 2019 with the proceeds from the IPO.

The Company entered into various loan agreements with 2227929 Ontario Inc. between December 2017 and January 2019. Pursuant to the terms of the loans, 2227929 Ontario Inc. agreed to lend the Company $196,000 at an interest rate of 12%. On February 27, 2019, the Company issued 2,100,541 common shares at $0.10 per share to settle the loans and interest totaling $210,054 to 2227929 Ontario Inc. (See Note 9(b)). 2227929 Ontario Inc. loaned a further $14,300 in unsecured loans to the Company from March 8, 2019 to May 10, 2019. These loans were unsecured and had no interest accruing and were paid on September 24, 2019 with the proceeds from the Initial Public Offering ("IPO"). 2227929 Ontario Inc. loaned a further $8,000 in unsecured loans to the Company in September and October 2020. These loans were unsecured and had an interest rate of 12%. The Company shall repay the loans in full no later than 18 months from the issuance dates, and the Company may repay the loans at any time prior to the end of the term.

On August 13, 2020, the Company entered into a loan agreement with Forbes & Manhattan Inc. for $3,500. The loan was unsecured and had an interest rate of 12%. The Company shall repay the loan in full no later than 18 months from the issuance date, and the Company may repay the loan at any time prior to the end of the term.

As at October 31, 2020, the Company had working capital deficit of $214,066 and $7,419 in cash compared to a working capital surplus of $25,614 and cash of $85,392 for the year ended October 31, 2019. The Company's primary cash flow needs are for administrative expenses and working capital.

At present, the Company has no producing properties and consequently no revenue generating assets or operations. The recovery of the amounts expended for resource properties are dependent on the ability of the Company to obtain necessary financing to complete the development of the Division Mountain coal project or other potential projects and attain future profitable production. The Company's financial success will depend on its ability to raise financing to construct potential projects. At present, the Company has no established sources of income and the success of its exploration and development programs will be contingent upon the Company's ability to raise sufficient equity financing on terms favourable to the Company. The Company does not expect to generate any internal cash flows to help finance the development costs.

Going concern

Yukoterre Resources Inc. is an exploration stage enterprise. To date, the Company has not found proven reserves. The business of exploration for coal involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The Company's continued existence is dependent upon the acquisition of coal properties, preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Consequently, the Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional financing if, as and when required, and, ultimately, the attainment of profitable operations or the profitable sale of the Company's exploration interests.

COMMITMENTS AND CONTINGENCIES

Management contracts

The Company is party to certain management contracts. Currently, these contracts require payments of $190,800 as at October 31, 2020 (October 31, 2019 - $190,800) to be made upon the occurrence of a change in control to the officers of the Company. The Company is also committed to payments upon termination of approximately $131,700 (October 31, 2019 - $141,300) pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these financial statements. During the year ended October 31, 2020, management signed settlement agreements whereby pursuant to the Proposed Transaction with FlyOverture Equity Inc. as disclosed in Note 1 to the financial statements, the consultants would resign. As consideration for delivering the resignation, the Company shall issue to the management consultants 763,200 common shares of the Company at a deemed price per share of $0.25 in full and final satisfaction of the change in control provisions. There can be no assurances that the Proposed Transaction will be completed as agreed or at all.

Contingencies

Coal operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses and permits from various governmental authorities in the countries in which it operates. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

SHARE CAPITAL AND OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this report, there are 10,520,541 common shares and 1,185,000 options outstanding.

Pursuant to an escrow agreement (the "Escrow Agreement") made as of June 26, 2019, among the Company, the Escrow Agent and certain Principals of the Company, the Principals agreed to deposit in escrow their 2,560,541 common shares (the "Escrowed Securities") with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Common Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6-month interval thereafter, over a period of 36 months. As at October 31, 2020, 2,560,541 (October 31, 2019 – 2,560,541) shares remain in escrow.

There are no off-balance sheet financing arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel compensation

In addition to their contracted fees, directors and officers also participate in the Company's share option program. Certain executive officers are subject to termination notices of 24 months and change of control contingent provisions (Note 14). Key management personnel compensation comprised:

For the years ended:	**October 31, 2020**	October 31, 2019
Directors and officers' compensation	**$ 47,400**	$ 5,300
Share-based payments	**-**	51,418
	$ 47,400	$ 56,718

The Company entered into loan agreements with 2227929 Ontario Inc., and Sulliden Mining Capital Inc. 2227929 Ontario Inc. is a company wholly owned by Fred Leigh, who has been a director of the Company since January 14, 2019. Deborah Battiston is a former director and officer of Sulliden Mining Capital Inc. On September 23, 2019, there were loans to the Company in the amount of $14,300 from 2227929 Ontario Inc. and $10,000 from Sulliden Mining Capital Inc. These loans were paid on September 24, 2019 with the proceeds from the IPO (See Note 9). Refer to Note 8 for debt settlement of loan for common shares with 2227929 Ontario Inc in the amount of $210,054 of which $196,000 was principal and $14,054 was interest. In September and October 2020, 2227929 Ontario Inc. advanced further loans of $8,000 (See Note 8). During the year ended October 31, 2020, the Company incurred expenses for consulting, rent and promotion services in the amount of $12,000 and prepaid expenses of $6,000 from 2227929 Ontario Inc.

As at October 31, 2020, $20,340 (October 31, 2019 – nil) was owing to related parties and was included in trade payables and accrued liabilities, and are unsecured, non-interest bearing and due on demand.

CHANGES IN ACCOUNTING POLICIES

The Company will monitor the development of the relevant IFRS and change its accounting policies accordingly.

New accounting standards

The Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 16 and IFRIC 23. There was no material impact on the Company's condensed interim financial statements as result of the adaptation of these new standards. Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1, Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The Company will adopt these amendments as of their effective date, and is currently assessing the impact of adoption.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results could differ from those estimates and these estimates could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets and goodwill. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's assets, costs to sell the assets and the appropriate discount rate.

Reductions in coal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them.

Contingencies and provisions

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against us or un-asserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or un-asserted claims or actions as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets are not recognized in the financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments as at October 31, 2020, consisted of cash, amounts receivable, trade payables and accrued liabilities and loans payable and the amounts reflected in the statement of financial position approximate fair value due to the short-term maturity of these instruments (except loans payable) and the interest rate approximating market rate for the loans payable.

Financial instruments recorded at the reporting date at fair value are classified into one of three levels based upon the fair value hierarchy. Items are categorized based on inputs used to derive fair value based on:

Level 1 - quoted prices that are unadjusted in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset/liability either directly or indirectly; and
Level 3 - inputs for the instruments are not based on any observable market data.

Risk management overview

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables. Cash is held with a reputable Canadian financial institution, from which management has assessed an insignificant loss allowance is appropriate.

The carrying amount of amounts receivable represents the maximum credit exposure. As at October 31, 2020, the Company's total receivable was $17,500 (October 31, 2019 – $24,842) from the Government of Canada for Harmonized Sales Taxes (HST). There were no derivative instruments held at October 31, 2020 and October 31, 2019.

Market risk

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates, and foreign exchange rates, will affect the Company's net income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing the Company's returns.

(iii) Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for coal are impacted by not only the relationship between the Canadian and United States dollar, as outlined below, but also global economic events that dictate the levels of supply and demand. Lower commodity prices can also reduce the Company's ability to raise capital. As the Company is not generating revenues, commodity price risk does not directly impact the Company's financial results.

(iv) Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates.

As at October 31, 2020 and 2019, the Company had the following asset denominated in foreign currency:

October 31, 2020	**USD$**
Cash at bank	20
	20

October 31, 2019	**USD$**
Cash at bank	20
	20

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of trade payables and accrued liabilities and loans payable. As at October 31, 2020 and 2019, the Company had a cash balance of $7,419 (2019 - $85,392) to settle current liabilities of $246,335 (2019 - $84,620). Most of the Company's financial liabilities have maturities of less than 30 days and are subject to normal trade terms.

The Company prepares annual capital expenditure budgets, which are monitored and updated as considered necessary. Financial modeling is used to provide economic outlooks and the Company utilizes authorizations for expenditures on projects to monitor capital expenditures.

Trade payables consists of invoices payable to trade suppliers for administration expenditures. The Company processes invoices within a normal payment period. Trade payables have contractual maturities of less than one year.

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and amounts receivable at amortized cost. Trade payables and accrued liabilities and loans payable are classified for accounting purposes at amortized cost. As of October 31, 2020, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the short term maturity of these instruments.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Financial instrument classification	**Carrying amount**		**Fair value**	
		2020	2019	**2020**	2019
Financial assets:					
Cash	Amortized cost	**$ 7,419**	$ 85,392	**$ 7,419**	$ 85,392
Amounts receivable	Amortized cost	**17,500**	24,842	**17,500**	24,842
Financial liabilities:					
Trade payables and accrued liabilities	Amortized cost	**234,640**	84,620	**234,640**	84,620
Loans payable	Amortized cost	**11,695**	$ -	**11,695**	$ -

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

(iii) Cash is subject to floating interest rates. As at October 31, 2020, if interest rates had decreased/increased by 1% with all other variables held constant, there would not have been a material impact to the loss for the year ended October 31, 2020 given the low level of cash on hand throughout the year.

(iv) Cash, accounts payable and provisions denominated in US dollars are subject to foreign currency risk. As at October 31, 2020, had the US dollar weakened/strengthened by 5% against the Canadian dollar with all other variables held constant, there would have been a change of approximately $nil (2019 - $1) in the Company's net loss.

ADDITIONAL DISCLOSURES

Risks and uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of coal properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Substantial capital requirements

The Company anticipates making substantial capital expenditures for the acquisition, exploration, development and production of mining reserves in the future. In addition, uncertain levels of near term industry activity coupled with the present uncertainty in global financial markets exposes the Company to additional financing risks. There can be no assurance that debt or equity financing, or funds generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects.

Regulatory

Mining and exploration operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses and permits from various governmental authorities in the countries in which it operates. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

Litigation and arbitration

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings and arbitration may arise from time to time in the course of the Company's business. Such litigation may be brought against the Company or its subsidiary in the future from time to time or the Company or its subsidiary may be subject to another form of litigation. Defense and settlement costs of arbitration or legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and arbitration process, the process of defending such claims (or any other claims that may be brought against the Company), could take away from management time and effort and the resolution of any particular legal proceeding to which the Company or its subsidiary may become subject could have a material effect on the Company's financial position and results of operations.

Competition

The mining industry is competitive in all its phases. The Company competes with numerous other organizations in the search for and the acquisition of other properties and in the marketing of coal. Our competitors include mining companies that have substantially greater financial resources, staff and facilities than Yukoterre Resources Inc. Our ability to acquire properties in the future will depend on our ability to select and acquire suitable properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of coal include price and methods, reliability of delivery and control over key operations infrastructure.

Conflicts of interest

Certain of the directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in mining or natural resource exploration and development and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Exploration, development and production risks

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Yukoterre Resources Inc. depends on its ability to find, appraise, develop and commercially produce resources and reserves, which will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire additional producing properties or prospects.

The Company may not be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Yukoterre Resources Inc. may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that commercial quantities of coal will be discovered or acquired by the Company. Future exploration may involve unprofitable efforts from mines that are productive but do not produce sufficient coal to return a profit after drilling, operating and other costs. Completion of a mine does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from a successful mine. These conditions include delays in obtaining governmental approvals or consents, insufficient storage or transportation capacity or other geological and mechanical conditions.

Novel Coronavirus ("COVID-19")
The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Management's assessment of future plans and operations, capital expenditures, methods of financing capital expenditures and the ability to fund financial liabilities, expected commodity prices and the impact on Yukoterre Resources Inc., future operating costs, future transportation costs, results of arbitration or litigation proceedings; expected change in interest rates may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation to, statements with respect to the Company's development potential and program; the Company's ability to raise required capital, the future price of coal; the impact of changes in management; the estimation of coal reserves; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; currency exchange rates; potential and stability of foreign jurisdictions; government relations and regulation; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration, development and construction; revocation of government approvals and contracts; timing and availability of external financing on acceptable terms; actual results of exploration activities; changes in project parameters as plans continue to be refined; future prices of coal; failure of plant, equipment or processes to operate as anticipated; litigation or arbitration proceedings; accidents, labour disputes; risks inherent in foreign operations and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

EXHIBIT B

FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS OF SILO

FLYOVERTURE EQUITY, INC.

(OPERATING AS "SILO WELLNESS")

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED OCTOBER 31, 2020 AND

THE PERIOD FROM NOVEMBER 20, 2018 (DATE OF INCORPORATION) TO OCTOBER 31, 2019

(Expressed in U.S. Dollars)

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McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of FlyOverture Equity, Inc.

Opinion

We have audited the consolidated financial statements of FlyOverture Equity, Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the year ended October 31, 2020 and the period from November 20, 2018 to October 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2020 and 2019 and its consolidated financial performance and its consolidated cash flows for the year ended October 31, 2020 and the period from November 20, 2018 to October 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended October 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 27, 2021

FLYOVERTURE EQUITY, INC.
(OPERATING AS "SILO WELLNESS")
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at October 31, 2020 and 2019
(in U.S. dollars)

	Notes	2020	2019
		$	$
Assets			
Current assets			
Cash		117,876	2,192
Inventories		7,434	-
Other receivables and prepaid expenses		134,879	359,543
Total current assets		260,189	361,735
Intangible assets	6,7	54,520	381,637
Total assets		314,709	743,372
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		118,424	388
Due to related parties	12	131,288	-
Loans payable	8	100,616	68,012
Total liabilities		350,328	68,400
Equity			
Share capital	9	2,747,434	2,172,361
Deficit		(2,783,053)	(1,497,389)
Total equity		(35,619)	674,972
Total liabilities and equity		314,709	743,372

Going concern (Note 2)
Related party transactions (Note 12)
Commitments and contingencies (Note 13)
Subsequent events (Note 16)

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the board:

"Mo Yang"   *"Michael Arnold"*

Director   Director

FLYOVERTURE EQUITY, INC.
(OPERATING AS "SILO WELLNESS")
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(in U.S. dollars, except per share amounts)

		For the year ended October 31, 2020	For the period from November 20, 2018 (Incorporation) to October 31, 2019
		$	$
Sales		6,220	-
Costs of goods sold		(48,507)	-
		(42,287)	-
Expenses			
General and administrative expenses		121,847	30,292
Directors and management fees	12	463,486	513,000
Professional fees		180,191	61,275
Interest expense and bank charges		1,846	2,466
Business development fees		62,195	145,414
Consulting fees		192,473	703,130
Amortization	7	327,117	41,113
Foreign exchange (gain) loss		(5,778)	699
		1,343,377	1,497,389
Net loss and total comprehensive loss		(1,385,664)	(1,497,389)
Net income (loss) per share, basic and diluted			
Net loss per Class A share, basic and diluted		(0.06)	(0.17)
Weighted average number of shares outstanding Basic and diluted	10	22,348,724	8,890,605

The accompanying notes are an integral part of these consolidated financial statements.

FLYOVERTURE EQUITY, INC
(OPERATING AS “SILO WELLNESS”)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY
(in U.S. dollars, except share amounts)

		Class A shares		Class B shares			Total
	Notes	Shares	Amount	Shares	Amount	Deficit	equity
			$		$	$	$
Balance at November 20, 2018		**-**	**-**	**-**	**-**	**-**	**-**
Net income (loss) for the year		-	-	-	-	(1,497,389)	(1,497,389)
Issuance of Class B shares to directors	9(i)	-	-	250,000	5,000	-	5,000
Issuance of Class A shares, net of issuance costs	9(ii)	1,088,334	87,000	-	-	-	87,000
Isusance of Class A shares for services	9(iii)	7,808,057	1,561,611	-	-	-	1,561,611
Conversion of loans payable	9(iv)	2,500,000	125,000	-	-	-	125,000
Issuance of Class A shares on asset acquisition	9(vi)	1,968,750	393,750	-	-	-	393,750
Balance at October 31, 2019		**13,365,141**	**2,167,361**	**250,000**	**5,000**	**(1,497,389)**	**674,972**
Net loss for the year		-	-	-	-	(1,385,664)	(1,385,664)
Exchange Class B shares for Class A shares	9(i)	500,000	5,000	(250,000)	(5,000)	-	-
Issuance of Class A shares	9(ii)	1,050,000	105,000	-	-	-	105,000
Issuance of Class A shares for services	9(iii)	817,106	60,482	-	-	-	60,482
Issuance of Class A shares to settle amounts payable	9(v)	1,184,486	84,224	-	-	-	84,224
Issuance of Class A shares in private placement	9(ii)	17,149,997	379,912	-	-	-	379,912
Cancellation of Class A shares	9(vii)	(1,000,000)	(100,000)	-	-	100,000	-
Issuance of shares for licensing contract	9(iii)	2,000,000	45,455		-	-	45,455
Balance at October 31, 2020		**35,066,730**	**2,747,434**	**-**	**-**	**(2,783,053)**	**(35,619)**

The accompanying notes are an integral part of these consolidated financial statements

FLYOVERTURE EQUITY, INC
(OPERATING AS "SILO WELLNESS")
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in U.S. dollars)

	Notes	For the year ended October 31, 2020	For the period from November 20, 2018 (Incorporation) to October 31, 2019
		$	$
Operating activities			
Net (loss)		(1,385,664)	(1,497,389)
Items not involving cash			
Share based expenses		385,815	1,204,278
Amortization of intangible asset		327,117	41,113
Accrued interest expense		1,846	2,466
		(670,886)	(249,532)
Changes in non-cash working capital		55,388	(1,822)
		(615,498)	(251,354)
Investing activities			
Net cash paid in asset acquisition		-	(29,000)
		-	(29,000)
Financing activities			
Proceeds from issuance of shares		484,912	152,000
Payments of share issuance costs		-	(60,000)
Proceeds from loans payable, net of costs		100,000	201,546
Payments of loans payable		-	(11,000)
Proceeds from related parties		146,270	-
		731,182	282,546
Increase in cash		115,684	2,192
Cash, beginning of year		2,192	-
Cash, end of year		117,876	2,192

Non-cash transactions:			
Shares for services recorded as prepaid expenses	9(iii)	$ 45,455	$ 357,333
Shares issued on asset acquisition	9(vi)	-	393,750
Shares issued upon conversion of loan payable	9(iv)	-	125,000
Exchange of Class A shares for Class B shares	9(i)	5,000	-
Non-cash amortization of prepaid expenses	9(iii)	325,333	-
Shares issued to settle amounts payable	9(v)	84,224	-
Cancellation of Class A shares	9(vii)	100,000	-

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of business and nature of operations

FlyOverture Equity Inc. ("FlyOverture" or the "Company") (operating as "Silo Wellness") was incorporated under the Business Corporations Act (British Columbia) on November 20, 2018. The Company's previous name was Eighteen Fifty Equity Inc., which was amended on June 27, 2019. The Company's registered address is 777 Hornby Street, Suite 600, Vancouver, BC V6Z 1S4. The Company has one subsidiary named SW Holdings, Inc. ("SW"), which was incorporated in the State of Oregon, the United States.

The Company intends to engage in magic mushroom cultivation through vertical integration when it is legalized in the United States. As at October 31, 2020 and 2019, the Company had only one reportable operating segment.

2. Basis of presentation and going concern

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") in effect on November 1, 2019. The Board of Directors approved these consolidated financial statements on February 27, 2021. The significant accounting policies applied by the Company are described in note 3 herein.

Basis of measurement

These consolidated financial statements are presented using, and have been prepared on, a going concern basis under the historical cost convention except for certain financial instruments that are measured at fair value. These consolidated financial statements are presented on the accrual basis except for the consolidated statement of cash flows.

Going concern

These consolidated financial statements have been prepared on the basis of accounting applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

During the year ended October 31, 2020, the Company incurred a net loss of $1,385,664 and as of that date, the Company's current liabilities exceeded its current assets by $90,139. During the year ended October 31, 2020, the Company funded its working capital requirements and its capital and operating expenditures through proceeds from debt and share issuances. There is no guarantee or assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties cast significant doubt as to the Company's ability to continue as a going concern. As at October 31, 2020, the consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities or the reported expenses and consolidated statement of financial position classifications that would be necessary should the going concern assumption be inappropriate. Such adjustments could be material.

Functional and presentation currency

These consolidated financial statements are presented in United States Dollars ("USD"), which is the functional currency of the Company and its subsidiary.

2. Basis of preparation and going concern (Continued)

Principles of consolidation

The consolidated financial statements represent the accounts of FlyOverture and its subsidiary. Control is achieved when FlyOverture:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and,
- has the ability to use its power to affect its returns.

As at October 31, 2020 and 2019, the only significant controlled legal entity is SW Holdings, Inc.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary or investment begins when the Company obtains control over the subsidiary or investment and ceases when the Company loses control of the subsidiary or investment. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the date the Company gains control until the date the Company ceases to control the subsidiary or investment.

All intragroup assets and liabilities, equity, income, expenses and cash flows are eliminated in full upon consolidation.

3. Significant accounting policies

The Company's accounting policies set out below are in accordance with IFRS and have been applied consistently throughout the period presented in these consolidated financial statements, unless otherwise stated.

Foreign exchange translation

Transactions in foreign currencies are translated into the functional currency using exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical rates and revenue and expenses are translated at the average exchange rates prevailing during the month of the transaction. Exchange gains and losses arise on the settlement of foreign-currency denominated transactions which are recognized in net income (loss). The effect of currency translation adjustments on cash and cash equivalents is presented separately in the consolidated statement of cash flows and separated from investing and financing activities when deemed significant.

Cash

Cash in the consolidated statements of financial position includes funds held with financial institutions which is subject to an insignificant risk of changes in value.

Share capital

Share capital is presented at the value of the shares issued. Costs related to the issuance of shares are reported in equity, net of tax, as a deduction from the issuance proceeds.

3. Significant accounting policies (Continued)

Net loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The diluted loss per share calculation excludes any potential conversion of options and warrants that would be anti-dilutive.

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented are adjusted retrospectively. If these changes occur after the reporting period but before the consolidated financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented are based on the new number of shares.

Share-based payments

Shares granted as compensation are initially measured at fair value at the grant date. Where shares are granted to employees, they are measured at the fair value of the equity instruments granted, determined using recent financing raises, which is recognized in the consolidated statements of loss over the vesting period. Where equity instruments are granted to non-employees, they are measured at the fair value of the goods or services received.

Income taxes

Income tax expense or recovery is comprised of current and deferred tax.

Current tax is computed on the basis of taxable income, using tax rates enacted or substantively enacted at the end of the reporting period.

The Company accounts for its income taxes using the liability method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period. Deferred income tax assets and liabilities are not discounted.

Intangible assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in an asset acquisition are measured at fair value at the acquisition date. Amortization is provided on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, and are tested for impairment if there is an indication of impairment. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The estimated useful lives, residual values, and amortization methods are reviewed at each reporting period, and any changes in estimates are accounted for prospectively.

The contract is recorded as an intangible asset and is amortized on a straight-line basis over its contractual term, a period of approximately 1.3 years from the date of acquisition.

3. Significant accounting policies (Continued)

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment as at the consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount in which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of the recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Provisions and contingencies

A provision is recorded when it becomes probable that a present obligation arising from a past event will require an outflow of resources that can be reliably estimated. The amount of the provision recorded, if any, is management's best estimate of the outflow of resources required to settle the obligation. Where a potential obligation resulting from past events exists, but occurrence of the outflow of resources is not probable or the estimate is not reliable, these contingent liabilities are disclosed as contingencies.

Fair value measurements

The Company measures fair value in accordance with IFRS 13, Fair Value Measurement, which provides a single source of fair value measurement guidance. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has applied the framework for measuring fair value, which requires a fair value hierarchy to be applied to all fair value measurements.

All financial instruments recognized at fair value in the consolidated statement of financial position are classified into one of three levels in the fair value hierarchy as follows:

Level 1 — valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 — valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.

Level 3 — valuation techniques with significant unobservable market inputs.

The Company has no financial instruments which are subsequently measured at fair value. The carrying value of the Company's cash, other receivables, accounts payable and accrued liabilities, due to related parties and loans payable approximate the fair value due to the short term to maturity.

3. Significant accounting policies (Continued)

Financial instruments

Initial recognition and measurement

The Company aggregates its financial assets in accordance with IFRS 9, Financial Instruments, into classes at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows. Non-derivative financial assets are classified and measured as fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost, as appropriate. In these consolidated financial statements, cash, and other receivables are measured at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities, loans payable and due to related parties which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

All financial instrument are recognized initially at fair value adjusted for, in the case of financial instruments not at FVTPL, directly attributable transaction costs on the date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – Financial instruments at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Impairment of financial assets at amortized cost

Financial assets classified subsequently as amortized cost are subject to impairment based on the expected credit losses "ECL's".

Critical to the determination of ECL's is the definition of default and the definition of a significant increase in credit risk. The definition of default is used in measuring the amount of ECL's and in the determination of whether the loss allowance is based on a 12-month or lifetime ECL's. The Company considers the following as constituting an event of default: the borrower is past due more than 90 days on any material credit obligation, or the borrower is unlikely to pay its credit obligations to the Company in full. The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition.

If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month ECL's. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date based on the remaining maturity of the instrument with risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial asset was first recognized.

Asset acquisition

The Company accounts for asset acquisitions based on allocating the fair value of consideration paid to the assets acquired. For asset acquisitions achieved in stages, the Company measures its previously held interest at its carrying amount and does not revalue to fair value.

3. Significant accounting policies (Continued)

Inventory

Inventory is measured at the lower of cost and net realizable value. Cost is determined using the weighted average method and net realizable value is the estimated selling price less necessary costs to sell.

Revenue recognition

The Company has established a five step model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principles of the revenue recognition policy are to identify the contract with the customer, identify the performance obligation, determine the transaction price, allocate the transaction price and recognize revenue when the entity satisfies the performance obligation. The transaction price is allocated to each separate performance obligation in proportion to the stand-alone selling price. In addition, variable consideration are only recognized to the extent that is highly probable that a significant reversal in the amount of the cumulative revenue recognized will not occur.

Revenue consists of the sale of tinctures. Revenue is recognized upon delivery of the products which is when the change of control occurs.

IFRS 16 — Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease that conveys to the Company the right to control the use of an underlying asset in return for payment. If the contract meets the definition of a lease, the lease liability is recognized in an amount equal to the present value of the unpaid lease payments discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments include: (i) all fixed payments; (ii) variable payments that depend on an index or rate; and (iii) any purchase option or termination penalty reasonably certain to be incurred. A leased asset is recognized in an amount equal to the lease liability less any lease incentives received and plus: (i) any payments made prior to the start of the lease; (ii) any initial direct costs incurred; and (iii) an estimate of the cost to restore the asset as required by the lease contract. The Company remeasures the lease liability in response to changes in future lease payments, such as consumer price index (CPI) escalations or changes in lease term, adjusting the lease asset by an equivalent amount. Depreciation starts at the commencement date of the lease.

The Company applies the cost model to subsequently measure leased assets and applies same impairment policy as other property and equipment. Leased assets are depreciated over the period of the lease term.

The Company had one short term lease of facilities in Jamaica during the year ended October 31, 2020 that was terminated within the year. No leased asset or liabilities were recognized as at October 31, 2020 or 2019.

4. Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, and items in net loss, and the related disclosure of contingent assets and liabilities, if any. Such estimates are based on various assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of items in net loss that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and actual results may differ from these estimates under different assumptions or conditions. Set out below are the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of these consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Consolidation

The Company uses judgment in determining the entities that it controls and accordingly consolidates. An entity is controlled when the Company has power over an entity, exposure or rights of variable returns from its involvement with the entity, and is able to use its power over the entity to affect its return from the entity. The Company has power over an entity when it has existing rights that give it the current ability to direct the relevant activities, which are activities that significantly affect the investee's returns. Since power comes from rights, power can result from contractual arrangements. However, certain contractual arrangements contain rights that are designed to protect the Company's interest, without giving it power over the entity.

Asset acquisition

The determination of whether a transaction meets the definition of a business combination under IFRS 3 or constitutes an asset acquisition requires significant judgment.

Expected credit losses on financial assets

Determining an allowance for ECLs for all debt financial assets not held at fair value through profit or loss requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Determination of CGUs

Management is required to use judgment in determining which assets or group of assets make up appropriate CGUs, for the level at which goodwill and intangible assets are tested for impairment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Determining the impact of impairment requires significant judgment in identifying which assets or groups of assets form CGUs of the Company.

Functional currency

Determining the appropriate functional currency requires analysis of various factors, including the currencies and country-specific factors that influence the costs of providing goods or services.

4. Significant accounting judgments and estimates (Continued)

Useful lives and impairment of intangible assets

Amortization of intangible assets is dependent upon management’s estimate of the assets’ useful lives, which requires judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of these assets.

Provisions and contingencies

The assessment of the existence and potential impact of contingencies and provisions inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Income and other taxes

The calculation of current and deferred income taxes requires the Company to make estimates and assumptions and to exercise judgment regarding the carrying values of assets and liabilities which are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results, the timing of reversal of temporary differences and possible audits of income tax filings by the tax authorities. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Changes or differences in underlying estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated statement of financial position, a charge or credit to income tax expense included as part of net income (loss) and may result in cash payments or receipts. Judgment includes consideration of the Company’s future cash requirements in its tax jurisdictions.

All income, capital and commodity tax filings are subject to audits and reassessments. Changes in interpretations or judgments may result in a change in the Company’s income, capital or commodity tax provisions in the future. The amount of such a change cannot be reasonably estimated.

Share-based payments

The determination of the value of share-based payments requires the Company to make estimates and assumptions on the value of the services received, or the value of the equity instruments on the granting date.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Canada and U.S. The spread of COVID-19 has caused significant volatility in Canadian, U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Canadian, U.S. and international economies and, as such, the Company is unable to determine if it will have a material impact to its operations.

5. Recently issued accounting pronouncements

Adoption of amendments and interpretations to accounting standards

The Company has adopted the following amendments and interpretations to accounting standards during the current period and these amendments have not resulted in a material impact on these consolidated financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. Adoption of the standard had no impact on the Company's consolidated financial statements.

IFRS 16 – Leases. The Company applied the IFRS 16 Leases accounting standard effectively from November 1, 2019 using the modified retrospective approach. Accordingly, comparative information was not restated. Adoption of the new standard had no impact on the Company's consolidated financial statements.

Accounting standards issued but not yet effective

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The Company will adopt these amendments as of their effective date.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. The Company will adopt these amendments as of their effective date.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. The Company will adopt these amendments as of their effective date.

6. Asset acquisition

Acquisition of SW Holdings, Inc. (the "Acquisition")

SW Holdings Inc. is a company which holds a consulting contract with a psychedelic intellectual property startup company. Prior to the Acquisition, the Company purchased 15.55% of the common shares of SW for $29,000 in cash. On September 15, 2019, the Company entered into a share exchange agreement with SW and its former shareholder, to acquire the remaining 84.45% of the common shares of SW, by issuing 3,937,500 (1,968,750 after the reverse stock split on November 1, 2019) Class A shares of the Company valued at $393,750. The fair value of the consideration was estimated based on a recent financing.

(In United States Dollars, except share and per share amounts, unless otherwise noted)

Carrying amount of previously held interest	$	29,000
Issuance of shares		393,750
Total consideration	**$**	**422,750**

The allocation of the consideration to the fair value of 100% of the net assets acquired at the date of acquisition is as follows:

Contract acquired	$	422,750
Total consideration	**$**	**422,750**

7. Intangible asset

The contract acquired is with a psychedelic intellectual property startup company domiciled in the United States, engaged to develop intellectual property and products on behalf of the Company. All products developed under the contract become sole and exclusive property of the Company, without any additional compensation. The term of the contract is through December 31, 2020, and may be renewed by the parties by mutual agreement. On May 1, 2020, a new agreement was signed with the consultant. See Note 13(d).

Cost		**Contract**
November 20, 2018 (incorporation)	$	-
Asset acquisition (Note 6)		422,750
Balance, October 31, 2020 and 2019	**$**	**422,750**

Accumulated Amortization and Impairment Losses		**Contract**
November 20, 2018 (incorporation)	$	-
Amortization		41,113
Balance, October 31, 2019	**$**	**41,113**
Amortization		327,117
Balance, October 31, 2020		**368,230**
Carrying value at October 31, 2019	**$**	**381,637**
Carrying value at October 31, 2020	**$**	**54,520**

8. Loans payable

The Company entered into a non-interest bearing, convertible promissory note with Jury Ventures, LLC, a company controlled by a director, on December 13, 2018 with a maximum of $125,000. An amount in excess of the maximum was drawn, for a total principal amount of $126,546. The amount was payable in full on December 12, 2019, and was convertible into Class A shares of the Company at $0.025 per share solely at the option of Jury Ventures, LLC. The convertible promissory note was fully converted into 2,500,000 Class A shares of the Company on January 15, 2019.

The Company entered into a promissory note with Jury Ventures, LLC on January 16, 2019 for an amount of up to $75,000 with 5% interest per annum. Principal and interest was payable in full on January 15, 2020. During 2019, the Company reached the borrowing limit, repaid $11,000 in principal, and incurred interest expense of $2,466. Total principal and interest payable was repaid through the issuance of shares during the year ended October 31, 2020, and was recorded at the carrying value of the loan at the time of repayment, $69,242.

On October 28, 2020, the Company entered into an unsecured, non-revolving credit facility agreement with Jury Land & Energy, LLC, a company controlled by a director, that was subsequently amended on January 28, 2021. The facility had a maximum of $250,000, which was increased to $300,000 upon amendment. $125,000 was drawn on October 28, 2020, $75,000 on November 20, 2020, and $100,000 on January 28, 2021. The loan is unsecured, bears interest at an annual rate of 12%, with interest and principal due the earlier of February 15, 2021 or the closing of a private placement by the Company of up to 10,000,000 common shares at a price of CAD$0.25 per share for aggregate cash proceeds of up to CAD$2,500,000. An initial fee of $25,000 was deducted from the first $125,000 withdrawal, and a $10,000 extension and amendment fee was deducted from the third $100,000 withdrawal. The Company accounted for the loan using the amortized cost method with an effective annual interest rate of 155% and recorded $616 in interest expense for the year ended October 31, 2020. Subsequent to October 31, 2020, the loan was extended to March 15, 2021.

9. Shareholders' equity

Authorized

Unlimited number of Class A shares, without par value. Each Class A share is entitled to one vote. All dividends are declared and paid according to the number of Class A shares held.

Unlimited number of Class B shares, without par value, with priority ranking to the Class A shares. Each Class B share is entitled to 500 votes. Holders of Class B shares are not entitled to dividends. The Company may redeem these shares at the Company's option at a price equal to their issue price at any time, at $0.01 per share.

On November 1, 2019, the Board of Directors was authorized to effect a reverse split ("Reverse Split") of the Company's outstanding Class A and Class B common shares, at an exchange ratio of 2-to-1. The number of shares disclosures in these financial statements have been adjusted and presented on a post-reverse stock split basis.

Class A and B shares issued

i) Issuance of Class B shares to directors and exchange for Class A shares

During the period ended October 31, 2019, the Company issued 250,000 Class B Shares to three directors at $0.02 per share, for aggregate proceeds of $5,000.

During the year ended October 31, 2020, the Company issued 500,000 Class A shares to three directors in exchange for all of the outstanding Class B shares of the Company. The exchange was recorded at the carrying amount of the Class B shares.

(In United States Dollars, except share and per share amounts, unless otherwise noted)

9. Shareholders' equity (continued)

ii) Issuance of Class A shares, net of issuance costs, related to private placement

During the period ended October 31, 2019, the Company intended to issue a maximum of 10,000,000 Class A shares through a private placement offering with a share price from $0.1 to $0.20 per share. On June 17, 2019, the Company issued additional shares to shareholders who participated in the private placement offering from late December 2018 to early April 2019, through modifications of their subscription agreements, with no further consideration received. As at October 31, 2019, 1,088,334 shares were issued through the private placement offering, with an aggregate subscription price of $147,000 and share issuance costs of $60,000.

During the year ended October 31, 2020, there were two private placements. In one private placement financing, 1,050,000 Class A shares were issued at $0.10 per share for gross proceeds of $105,000. In another private placement financing, 17,149,997 Class A common shares were issued at a price of CAD$0.03 (USD$0.02) per share for gross proceeds of CAD$514,500 (USD$379,912).

Subsequent to October 31, 2020, the Company closed a brokered private placement of CAD$2,500,000 and a non-brokered private placement of CAD$2,400,000, see Note 16.

iii) Issuance of Class A shares for Services

During the period ended October 31, 2019, the Company entered into various consulting and service agreements. The amounts owing were settled through the issuance of Class A shares at a price of $0.20 per share, based on the value of the services agreed upon by the consultants, directors and management of the Company.

A summary of shares for services by category issued in 2019 is as follows:

Fees	Operating Expenses	Prepaid Expenses	Estimated value of shares	Estimated value of shares to related parties (note 12)
Directors' fees	$ 100,000	$ -	$ 100,000	$ 100,000
Consulting fees	674,954	133,333	808,287	206,400
Business development fees	136,324	-	136,324	136,324
Management fees	256,000	224,000	480,000	480,000
Professional fees	37,000	-	37,000	-
Total fees	$ 1,204,278	$ 357,333	$ **1,561,611**	**$ 922,724**

The Company had various consulting and service agreements as at October 31, 2020. These consultants were remunerated through the issuance of Class A shares, based on the value of shares issued in a recent financing. During the year ended October 31, 2020, the Company issued 817,106 Class A shares with an estimated value of $60,482. In addition, the Company issued 2,000,000 Class A shares with an estimated value of $45,455 as a prepayment in relation to a licensing contract. A summary of shares for services by category issued in 2020 is as follows:

(In United States Dollars, except share and per share amounts, unless otherwise noted)

9. Shareholders' equity (continued)

Fees	**Operating Expenses**	**Prepaid Expenses**	**Estimated value of shares**	**Estimated value of shares to related parties (note 12)**
Directors' fees	$ 208,711	$ -	$ 208,711	$ 208,711
Consulting fees	133,333	-	133,333	33,333
Business development fees	-	45,455	45,455	-
Management fees	43,771	-	43,771	-
Total fees	$ 385,815	$ 45,455	$ **431,270**	**$** 242,044

Of the $385,815 expense recognized in the consolidated statement of operations for the year ended October 31, 2020, $325,333 relates to shares issued in 2019 that were recorded as prepaid expenses as at October 31, 2019, and $60,482 relates to shares issued and expensed in the year ended October 31, 2020.

iv) Issuance of Class A shares for converting convertible debt

See note 8. Issuance of 2,500,000 Class A shares in 2019 on conversion of the convertible promissory note.

v) Issuance of Class A shares to settle amounts payable

During the year ended October 31, 2020, a director and an officer of the Company incurred expenses on behalf of the Company. The Company settled these accounts payable through the issuance of 299,640 Class A shares in the amount of $14,982. The Company also settled a loan payable in the amount of $69,242 through the issuance of 884,846 Class A shares. See note 8. The settlements were recorded in share capital at the carrying amount of the accounts payable and loan payable, respectively.

vi) Issuance of Class A shares for asset acquisition

See note 6.

vii) Cancellation of Class A shares

During the year ended October 31, 2020, 1,000,000 Class A common shares of the Company previously issued for services were cancelled upon renegotiation of contracts with consultants. The 1,000,000 Class A common shares were initially issued to two consultants of the Company for work to be completed and recorded as a prepaid expense at October 31, 2019, and fully expensed as consulting fees prior to cancellation. The deficit was adjusted by $100,000 in 2020 to reflect the cancellation of the shares in 2020, valued at the original issuance value of the shares.

(In United States Dollars, except share and per share amounts, unless otherwise noted)

10. Net loss per share

	October 31, 2020	October 31, 2019
Net loss attributable to owners of Class A shares	$ 1,385,664	$ 1,497,389
Weighted average number of Class A shares outstanding during the period	22,348,724	8,890,605
Net loss per share, basic and diluted	**$ 0.06**	**$ 0.17**

Net loss per share is computed by dividing the net loss incurred during the period by the weighted average number of common shares outstanding during the period. Class B shares are excluded from the calculation because they are not classified as ordinary shares. Refer to Note 9 for terms. On November 1, 2019, the Board of Directors was authorized to effect a reverse split ("Reverse Split") of the Company's outstanding Class A and Class B common shares, at an exchange ratio of 2-to-1. In this net loss per share calculation, the Reverse Split was applied to all common shares retrospectively as of November 20, 2018. The Class B shares are excluded from the calculation of diluted earnings per share because they would be considered anti-dilutive.

11. Income taxes

Provision for Income Taxes

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 27% is as follows:

	2020	2019
Loss before income taxes	$ (1,385,664)	$ (1,497,389)
Expected income tax recovery based on statutory rate	(374,000)	(404,000)
Adjustment to expected income tax benefit:		
Non-deductible expenses	104,000	-
Other	299,000	-
Change in unrecorded deferred tax assets	(29,000)	404,000
Deferred income tax provision	**$ -**	**$ -**

Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences. Deferred income tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

	2020	2019
Non-capital losses carry-forwards	$ 1,411,000	$ 1,509,000
Share issuance costs	36,000	48,000
Total	**$ 1,447,000**	**$ 1,557,000**

As at October 31, 2020, the Company had Canadian non-capital losses of approximately $1,200,000 available to reduce future taxable income, which expire in 2039 and 2040. The Company also had $211,000 non-capital losses available to be carried forward in the United States indefinitely.

(In United States Dollars, except share and per share amounts, unless otherwise noted)

12. Related party transactions

Key management personnel and directors include the Company's Chief Executive Officer, Chief Financial Officer, former CEO/CFO, and members of the Board of Directors. The compensation paid or payable to key management and outside directors are included in director and management fees in the statement of loss and comprehensive loss. For the year ended October 31, 2020, total compensation to key management totaled $463,486 (2019 - $979,724), of which $242,044 (2019 - $922,724) was paid by shares of the Company.

Total compensation to directors and key management for the period from November 20, 2018 to October 31, 2019is summarized as follows:

Total Compensation	Expenses included in 2019	Prepaid Expenses	Paid in cash	Paid in shares (note 9(iii))
$ 979,724	$ 722,391	$ 257,333	$ 57,000	$ 922,724

Total compensation to directors and key management for the year ended October 31, 2020 is as follows ($257,333 prepaid share based compensations were expensed in the year ended October 31, 2020):

Total Compensation	Expenses included in 2020	Prepaid Expenses	Paid in cash	Paid in shares (note 9(iii))
$ 525,371	$ 525,371	$ 32,000	$ 283,327	$ 242,044

As at October 31, 2020, a director owed the Company $nil (2019 - $1,000 for their subscription for 50,000 Class B shares at a price of $0.02 per share). As at October 31, 2020, excluding the loans payable in note 8, the Company owed directors and officers $72,521 (2019 - $387). These amounts are unsecured, non-interest bearing, due on demand. See Note 8.

13. Commitments and contingencies

(a) The Company has a consulting agreement in effect from August 31, 2019 to October 31, 2020 that was replaced on August 25, 2020 with a binding term sheet with a revised term of January 1, 2021 to August 25, 2022. Upon execution of the amended agreement, 200,000 shares were issued and recognized at the estimated value of the shares issued based on a recent financing, in the amount of $4,548. A lump sum amount of $4,400 is payable at the earlier of public listing or January 1, 2021. Also, $1,900 in compensation per month is payable for 24 months beginning at the earlier of public listing or January 1, 2021. There can be no assurances if or when a public listing takes place. The Company is committed to payments of $42,400 under the remaining term of this contract as at October 31, 2020.

(b) On August 1, 2020, the Company entered into a preliminary employment agreement to appoint a new CEO. A definitive employment agreement will be provided following the successful completion of the amalgamation described in Note 16. The base salary is $5,900 per month plus an operational allowance of $2,000. He received a signing bonus of $1,500 and is entitled to a bonus of up to 20% of the base salary based on the determination of certain performance milestones. He may become entitled to stock options to purchase 100,000 common shares of the Company subject to board of director determination. As at October 31, 2020, the Company is committed to payments of $15,800 in the event of termination.

13. Commitments and contingencies (continued)

(c) On September 1, 2020, the Company entered into a binding term sheet with a consultant. Upon execution of the agreement, 75,000 shares were issued and recorded at an estimated value of $1,723 and a $10,000 relocation fee was paid. $2,900 per month is payable beginning after public listing (refer to Note 16). There can be no assurances if or when a public listing takes place.

(d) The Company has a consulting agreement with a company controlled by one of the directors of the Company in effect from December 1, 2018 to December 31, 2020, which was replaced by an amended agreement dated May 1, 2020 with a term of 24 months. Pursuant to the original agreement, the consultant was engaged to provide ad hoc services related to strategy and operations, in exchange for 100,000 of the Company's Class A shares per month. The consultant has the option of receiving cash in lieu of shares of $10,000 per month, only if there are sufficient Company funds available. The amended agreement stipulates compensation of $15,000 per month from May 1, 2020. As at October 31, 2020, the Company is committed to payments of $270,000 under the terms of this contract.

(e) On November 1, 2020, the Company entered into an agreement which requires the Company to pay a director $1,000 per month as compensation for services as a director from November 1, 2020 to October 31, 2021. The contract may be cancelled or renewed by either party.

(f) The Company had signed an agreement with a director of the Company on October 28, 2019 which was amended on May 15, 2020. The amended agreement removed the anti-dilution clause to maintain 5.1% ownership and revised the compensation. Under the amended agreement, the director was entitled to CAD $53,000 upon execution of the agreement, and is entitled to $4,000 per month through the effective term of the amended agreement of 24 months. As at October 31, 2020, the Company is committed to payments of $72,000 under the terms of this agreement.

(g) The Company signed an agreement with a licensor for certain licensed property and trademarks on August 14, 2020, which was subsequently superceded by an amended agreement on November 20, 2020. Under the terms of the amended agreement, the effective term is from November 20, 2020 to July 31, 2025. Under the amended agreement, the Company is required to make an advance payment of $500,000, and a royalty of 10% of net sales for each contract year, with guaranteed minimum royalties of $500,000 in year 1, $600,000 in year 2, $750,000 in year 3, $900,000 in year 4 and $1,000,000 in year 5. In accordance with the agreement, the payments do not become payable until the release of certain funds raised through the financing, which took place subsequent to year end (see Note 16(a). The licensee has the option to terminate the agreement in its sole discretion following the second year under contract, or through the payment of a $500,000 termination fee. The initial agreement required the licensee to grant to the licensor 2,000,000 shares of the licensee upon execution of the initial agreement. The 2,000,000 shares were issued on August 14, 2020 valued at $45,455 based on the estimated value of the shares issued in a recent financing and were recorded as a prepaid expense.

(h) The Company has a contract with a company controlled by its CFO for consulting services. The Agreement is effective through February 2021, for CAD$10,000 per month. As at October 31, 2020, the Company is committed to payments of $30,000 under the terms of this agreement.

(i) The Company has an agreement with a consultant for twenty four months from the effective date of May 22, 2020, with compensation of $6,000 per month. In the event that an acquisition is originated by the consultant, the consultant would be entitled to a 4% finders' fee. As at October 31, 2020, the Company is committed to payments of $114,000 under the terms of this agreement.

14. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established a risk management strategy, which incorporates development and monitoring of the Company's risk management activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company's approach to risk management is assessed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and receivables. The Company's maximum exposure to this risk is equal to the carrying amount of these financial assets. The cash is held with a financial institution counterparty which is highly rated and the receivables are owed from the government of Canada as sales tax recovery. As such, the Company has assessed an insignificant loss allowance on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have access to sufficient liquid assets to meet its current liabilities when they are due, under both normal and stressed conditions, without incurring excessive losses. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company is exposed to this risk on its accounts payable and accrued liabilities, due to related parties, and loans payable.

15. Capital management

The Company's objectives when managing its capital are to maintain a sufficient capital base to: (i) meet its short-term obligations, (ii) sustain future operations and expansions, (iii) ensure its ability to continue as a going concern, and (iv) retain stakeholder confidence. The Company defines capital as its net assets, total assets less total liabilities. As at October 31, 2020, the Company managed net deficiency of $35,619 (2019 – net assets of $674,972).

16. Subsequent events

(a) On August 25, 2020, the Company entered into an amalgamation agreement ("Amalgamation Agreement") with Yukoterre Resources Inc. ("Yukoterre") and a wholly-owned subsidiary of Yukoterre ("Yukoterre Subco"). Pursuant to the amalgamation agreement, the Company and Yukoterre will complete a three-cornered amalgamation ("Proposed Transaction") which will involve Yukoterre Subco amalgamating with the Company to form a single, wholly-owned subsidiary of Silo Wellness Inc. ("Resulting Issuer"), the resulting issuer post-closing of the Proposed Transaction. On October 8, 2020, the Company and Yukoterre entered into an amendment to the Amalgamation Agreement to amend certain deadlines and dates. The Proposed Transaction received Yukoterre's shareholders approval on January 29, 2021.

In connection with Proposed Transaction, the Company completed a brokered private placement of subscription receipts of the Company ("Subscription Receipts") to raise up to CAD $2.5 million, with an option for the agent to raise up to an additional CAD $0.5 million ("Concurrent Financing"). Upon the satisfaction of the release conditions of Proposed Transaction, each Subscription Receipt will convert into one unit of the Company ("Silo Unit"), which will consist of one common share of the Company and one half of one common share purchase warrant in the capital of the Company. Each warrant shall be exercisable to acquire one common share of the Company at a price of CAD $0.33 for a period of 24 months following the satisfaction of release conditions. The Proposed Transaction is expected to result in a reverse acquisition, whereby the Company acquires Yukoterre for accounting purposes.

In connection with the Concurrent Financing, the agent will be entitled to receive a commission equal to 8% of the aggregate gross proceeds in cash or Subscription Receipts, and compensation warrants exercisable to acquire such number of Silo Units as its equal to 8% of the number of Subscription Receipts. Each compensation warrant will be exercisable to acquire one Silo Unit for a period of 24 months following the satisfaction of release conditions. In addition, the Company shall pay the agent a corporate finance fee equal to 5% of the aggregate number of Subscription Receipts.

On February 5, 2021, the Company announced the close of the above CAD $2.5 million Subscription Receipt Financing. Additionally, Silo Wellness is conducting a concurrent non-brokered private placement for gross proceeds of up to approximately CAD $2.5 million (the "Unit Financing" and together with the Sub Receipt Financing, the "Financing") of units (the "Units") at a price of CAD $0.25 per Unit and has received CAD $2.4 million (for a total of CAD $4.9 million raised), all such funds being held in escrow pending the completion of the transactions (the "Proposed Transaction") contemplated in the amalgamation agreement dated as of August 25, 2020 among Yukoterre, Silo Wellness and 1261466 BC Ltd. (as amended to the date hereof, the "Amalgamation Agreement").

The proceeds of the Sub Receipt Financing and the Concurrent Financing (the "Escrowed Funds") have been deposited in escrow, pending the satisfaction of certain customary escrow release conditions which include Yukoterre and Silo Wellness receiving all applicable regulatory approvals to complete the Proposed Transaction (the "Release Conditions"). Upon satisfaction of the Release Conditions, immediately prior to the completion of the Proposed Transaction, each Subscription Receipt will automatically convert into Units consisting of one common share of Silo Wellness (collectively, the "Silo Shares") and one-half of one common share purchase warrant of Silo Wellness exercisable at a price of CAD $0.33 (collectively, the "Silo Warrants") for a period of 24 months from the date the Release Conditions are satisfied. Subsequently, the Silo Shares will be exchanged for common shares of Yukoterre (the "Resulting Issuer Shares") and the Silo Warrants will be exchanged for common share purchase warrants of Yukoterre (the "Resulting Issuer Warrants"), in each case on a one-for-one basis pursuant to the terms of the Amalgamation Agreement. If the Proposed Transaction is not completed on or before June 4, 2021 or Silo Wellness advises the Agents or announces to the public that it does not intend to satisfy the Release Conditions or that the Proposed Transaction has been terminated, the Escrowed Funds will be returned to the subscribers and the Subscription Receipts will be void and be of no further effect or value.

16. Subsequent events (continued)

The proceeds of the Unit Financing (the "Unit Escrowed Funds") have been deposited in escrow, pending Yukoterre and Silo Wellness receiving all applicable regulatory approvals (the "Unit Escrow Conditions"). Upon satisfaction of the Unit Escrow Conditions, immediately prior to the completion of the Proposed Transaction, the Unit Financing shall close and Units comprised of one Silo Share and one-half of a Silo Warrant will be issued. Subsequently, the Silo Shares and the Silo Warrants will be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants, in each case on a one-for-one basis pursuant to the terms of the Amalgamation Agreement.

In consideration for their services in connection with the Sub Receipt Financing, Silo Wellness agreed to (i) pay to the Agents a fee equal to 8.0% of the gross proceeds from the Sub Receipt Financing; (ii) pay a corporate finance fee equal to 5.0% of the aggregate number of Subscription Receipts issued pursuant to the Sub Receipt Financing; and (iii) issue to the Agents broker warrants (the "Broker Warrants") equal to 8.0% of the number of Subscription Receipts sold pursuant to the Sub Receipt Financing. In exchange for certain advisory services provided by the Agents to Silo Wellness, the Agents also received an advisory fee equal to CAD $47,677.

(b) Subsequent to October 31, 2020, the Company made an advance of CAD$50,000 to Yukoterre for temporary support of the working capital of Yukoterre. The advance is unsecured, non-interest bearing, and due on demand.

(c) Subsequent to October 31, 2020, the Company issued 389,120 units at a price of CAD $0.25 per unit (aggregate subscription price of approximately CAD $77,640). Each unit consists of one common share and one-half of one common share purchase warrant in the capital of the Company. Each warrant is exercisable to acquire one common share of the Company at a price of CAD $0.33 for a period of 24 months.

FLYOVERTURE EQUITY, INC.
(Operating as “Silo Wellness”)

Management Discussion and Analysis for the year ended October 31, 2020 and the Period from November 20, 2018 (Date of Incorporation) to October 31, 2019

February 27th, 2021

The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited consolidated financial statements (the “Financial Statements”) of Flyoverture Equity, Inc. (the “Company” or “Silo”) (operating as “Silo Wellness”) as of October 31, 2020 and 2019 and for the year ended October 31, 2020 and the period from November 20, 2018 to October 31, 2019, and the accompanying notes thereto. The Company’s Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards (“IFRS”). As a result, they have been prepared using the accounting policies consistent with IFRS and considers information available until the date. The Financial Statements and the MD&A have been reviewed by the Audit Committee and approved by the Company’s Board of Directors on February 27, 2021. The U.S dollar is the functional and reporting currency of Silo. All dollar amounts within this report are expressed in U.S dollars.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements” for the purpose of applicable Canadian securities legislation. These statements reflect our management’s expectations with respect to future events, the Company’s financial performance and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of the words “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “possible”, “potential”, “predict”, “project”, “should”, “would”, and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated or implied in such forward-looking statements. The forward-looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding the Company’s strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. Circumstances affecting the Company may change rapidly. Except as may be required by applicable law, the Company does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise. Unless otherwise indicated, these statements speak only as of the date of this MD&A.

Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

CORPORATE OVERVIEW

Flyoverture Equity Inc. (“Silo” or the “Company”) (operating as “Silo Wellness”) was incorporated under the Business Corporations Act (British Columbia) on November 20, 2018. The Company’s previous name was Eighteen Fifty Equity Inc., which was amended on June 27, 2019. The Company’s registered address is 777 Hornby Street, Suite 600, Vancouver, BC V6Z 1S4. The Company has one subsidiary named SW Holdings, Inc. (“SW”), which was incorporated in State of Oregon, the United States.

The Company intends to engage in magic mushroom cultivation through vertical integration when it is legalized in the United States. As at October 31, 2020, the Company had only one reportable operating segment.

SW Holdings Inc. is a company which holds a consulting contract with a psychedelic intellectual property startup company. Prior to the Acquisition, the Company purchased 15.55% of the common shares of SW for $29,000 in cash.

On September 15, 2019, the Company entered into a share exchange agreement with SW and its former shareholder, to acquire the remaining 84.45% of the common shares of SW, by issuing 1,968,750 Class A shares of the Company valued at $393,750. The fair value of the consideration is estimated based on a recent financing. The transaction is recorded as an asset acquisition and the Company recorded an intangible asset of $422,750 for the transaction.

SW was founded in Oregon and has been in the psychedelics and functional mushroom space since 2018 and ultimately formulated and announced a patent-pending psilocybin nasal spray in Jamaica in 2019. This metered-dosing delivery modality was created for consumer micro-dosing to address some of the primary issues that may prevent many from trying natural psychedelics for the first time, including dose reliability, taste, stomach upset, and stigma. The nasal spray bypasses the digestive system by entering the bloodstream through the nasal membranes.

In addition to its IP portfolio, SILO is focusing on consumer product and wellness center/retreat brand development for psychedelic and functional mushrooms. Its go-to-market revenue strategy includes scaling its United States Silo Reboot brand of functional mushrooms (via **www.SiloReboot.com**) and its magic mushroom cultivation and psychedelic retreat operations in Jamaica (via **www.SiloRetreats.com**).

In 2019, Silo established a proof of concept of psilocybin metered-dose nasal spray in Jamaica. The nasal spray bypasses the digestive system by entering the bloodstream through the nasal membranes. In July 2019, Silo filed provisional patent application for psilocybin nasal spray (Provisional Application No 62/870,722). In December 2019 Silo announced the development of psilocybin nasal spray in Jamaica. In July 2020, Silo filed nonprovisional utility patent application for "Metered Dosing Compositions and Methods of Use of Psychedelic Compounds" of which the psilocybin nasal spray is one product example. Non-provisional International Patent Application Number: PCT/US20/40826 filed pursuant to the Patent Cooperation Treaty.

Oregon's Measure 109 was on the November 2020 election ballot, and was passed by Oregon voters in the election authorizing the Oregon Health Authority to create a program to permit licensed service providers to administer psilocybin-producing mushroom and fungi products to individuals 21 years of age or older. Oregon becomes the first state in the United States to allow the use of psilocybin in therapy. The measure does not decriminalize psilocybin. It is till a Schedule I drug under federal rules and thus not approved for any medical uses. Instead, Measure 109 directs the Oregon Health Authority to create a state-licensed, psilocybin-assisted therapy program over the next two years and determine how it would regulate the ingredient. Ultimately the Measure allows therapists to use psilocybin to treat chronic mental health issues like PTSD and depression. Therapist also plan to use it to reduce anxiety for patients who are dying and to help people kick their additions. Psilocybin will not be available for purchase in stores. I will only be available through an extensive, three-session therapy system located in state-licensed clinic.

Since the legalization of psilocybin has been successful, Silo intends to offer psilocybin retreats in Oregon as well as pursue a clinical psilocybin-assisted counseling element with patients using the psilocybin nasal spray prior to sessions through either licensees or through Silo's own branded psilocybin service centers.

Following a planned RTO, SILO anticipates that it will continue to grow its operations organically and by strategically integrating complementary businesses to its operations.

Going Concern, Planned RTO, Recent Financing

These consolidated financial statements have been prepared on the basis of accounting applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

During the year ended October 31, 2020, the Company incurred a net loss of $1,385,664 and as of that date, the Company's current liabilities exceeded its current assets by $90,139. During the year ended October 31, 2020, the Company funded its working capital requirements and its capital and operating expenditures through proceeds from debt and share issuances. There is no guarantee or assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties cast significant doubt as to the Company's ability to continue as a going concern. As at October 31, 2020, the consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities or the reported expenses and consolidated statement of financial position classifications that would be necessary should the going concern assumption be inappropriate. Such adjustments could be material.

The Company will need to secure additional financing in order to meet the Company's requirements for funding of the business plan and pay its obligations as they come due. There is no assurance that these initiatives will be successful. These conditions represent material uncertainties that may cast significant doubts about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The Company's ability to continue as a going concern has always depended on the ability of management to raise capital and issue debt in the market. The outcome of these initiatives cannot be predicted at this time.

On August 25, 2020, the Company entered into an amalgamation agreement ("Amalgamation Agreement") with Yukoterre Resources Inc. ("Yukoterre") and a wholly-owned subsidiary of Yukoterre ("Yukoterre Subco"). Pursuant to the amalgamation agreement, the Company and Yukoterre will complete a three-cornered amalgamation ("Proposed Transaction") which will involve Yukoterre Subco amalgamating with the Company to form a single, wholly-owned subsidiary of Silo Wellness Inc. ("Resulting Issuer"), the resulting issuer post-closing of the Proposed Transaction. On October 8, 2020, the Company and Yukoterre entered into an amendment to the Amalgamation Agreement to amend certain deadlines and dates. The Proposed Transaction has received Yukoterre's shareholders approval on January 29, 2021.

In connection with Proposed Transaction, the Company completed a brokered private placement of subscription receipts of the Company ("Subscription Receipts") to raise up to CAD $2.5 million, with an option for the agent to raise up to an additional CAD $0.5 million ("Concurrent Financing"). Upon the satisfaction of the release conditions of Proposed Transaction, each Subscription Receipt will convert into one unit of the Company ("Silo Unit"), which will consist of one common share of the Company and one half of one common share purchase warrant in the capital of the Company. Each warrant shall be exercisable to acquire one common share of the Company at a price of CAD $0.33 for a period of 24 months following the satisfaction of release conditions. The Proposed Transaction is expected to result in a reverse acquisition, whereby the Company acquires Yukoterre for accounting purposes.

In connection with the Concurrent Financing, the agent will be entitled to receive a commission equal to 8% of the aggregate gross proceeds in cash or Subscription Receipts, and compensation warrants exercisable to acquire such number of Silo Units as its equal to 8% of the number of Subscription Receipts. Each compensation warrant will be exercisable to acquire one Silo Unit for a period of 24 months following the satisfaction of release conditions. In addition, the Company shall pay the agent a corporate finance fee equal to that number of Subscription Receipts which is equal to 5% of the aggregate number of Subscription Receipts.

On February 5, 2021, the Company announced the close of the above $2.5 million Subscription Receipt Financing. Additionally, Silo Wellness is conducting a concurrent non-brokered private placement for gross proceeds of up to approximately CAD $2.5 million (the "Unit Financing" and together with the Sub Receipt Financing, the "Financing") of units (the "Units") at a price of CAD $0.25 per Unit and has received CAD $2.4 million (for a total of CAD $4.9 million raised), all such funds being held in escrow pending the completion of the transactions (the "Proposed Transaction") contemplated in the amalgamation agreement dated as of August 25, 2020 among Yukoterre, Silo Wellness and 1261466 BC Ltd. (as amended to the date hereof, the "Amalgamation Agreement").

Canaccord Genuity Corp. ("CGF") acted as lead agent and sole book-runner for the Sub Receipt Financing and Gravitas Securities Inc. acted as agent (together, the "Agents") pursuant to an agency agreement entered into with Yukoterre and Silo Wellness dated February 4, 2021.

The proceeds of the Sub Receipt Financing (the "SR Escrowed Funds") have been deposited in escrow, pending the satisfaction of certain customary escrow release conditions which include Yukoterre and Silo Wellness receiving all applicable regulatory approvals to complete the Proposed Transaction (the "Release Conditions"). Upon satisfaction of the Release Conditions, immediately prior to the completion of the Proposed Transaction, each Subscription Receipt will automatically convert into Units consisting of one common share of Silo Wellness (collectively, the "Silo Shares") and one-half of one common share purchase warrant of Silo Wellness exercisable at a price of CAD $0.33 (collectively, the "Silo Warrants") for a period of 24 months from the date the Release Conditions are satisfied. Subsequently, the Silo Shares will be exchanged for common shares of Yukoterre (the "Resulting Issuer Shares") and the Silo Warrants will be exchanged for common share purchase warrants of Yukoterre (the "Resulting Issuer Warrants"), in each case on a one-for-one basis pursuant to the terms of the Amalgamation Agreement. If the Proposed Transaction is not completed on or before June 4, 2021 or Silo Wellness advises the Agents or announces to the public that it does not intend to satisfy the Release Conditions or that the Proposed Transaction has been terminated, the SR Escrowed Funds will be returned to the subscribers and the Subscription Receipts will be void and be of no further effect or value.

The proceeds of the Unit Financing (the "Unit Escrowed Funds") have been deposited in escrow, pending Yukoterre and Silo Wellness receiving all applicable regulatory approvals (the "Unit Escrow Conditions"). Upon satisfaction of the Unit Escrow Conditions, immediately prior to the completion of the Proposed Transaction, the Unit Financing shall close and Units comprised of one Silo Share and one-half of a Silo Warrant will be issued. Subsequently, the Silo Shares and the Silo Warrants will be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants, in each case on a one-for-one basis pursuant to the terms of the Amalgamation Agreement.

In consideration for their services in connection with the Sub Receipt Financing, Silo Wellness agreed to (i) pay to the Agents a fee equal to 8.0% of the gross proceeds from the Sub Receipt Financing; (ii) pay to CGF a corporate finance fee equal to 5.0% of the aggregate number of Subscription Receipts issued pursuant to the Sub Receipt Financing; and (iii) issue to the Agents broker warrants (the "Broker Warrants") equal to 8.0% of the number of Subscription Receipts sold pursuant to the Sub Receipt Financing. In exchange for certain advisory services provided by the Agents to Silo Wellness, the Agents also received an advisory fee equal to $47,677. The net proceeds of the Financing, once released from escrow, are intended to be used by Silo Wellness to expand and grow the business of Silo Wellness and for working capital purposes.

CORPORATE RESULTS

Significant Accounting Policies and Critical Estimates and Assumptions.

Please refer to the Note 3 to the October 31, 2020 financial statements for the significant accounting policies.

The preparation of these consolidated financial statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, and items in net loss, and the related disclosure of contingent assets and liabilities, if any. Such estimates are based on various assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of items in net loss that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and actual results may differ from these estimates under different assumptions or conditions. Set out below are the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of these consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Consolidation

The Company uses judgment in determining the entities that it controls and accordingly consolidates. An entity is controlled when the Company has power over an entity, exposure or rights of variable returns from its involvement with the entity, and is able to use its power over the entity to affect its return from the entity. The Company has power over an entity when it has existing rights that give it the current ability to direct the relevant activities, which are activities that significantly affect the investee's returns. Since power comes from rights, power can result from contractual arrangements. However, certain contractual arrangements contain rights that are designed to protect the Company's interest, without giving it power over the entity.

Asset acquisition
The determination of whether a transaction meets the definition of a business combination under IFRS 3 or constitutes an asset acquisition requires significant judgment.

Expected credit losses on financial assets
Determining an allowance for ECLs for all debt financial assets not held at fair value through profit or loss requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Determination of CGUs
Management is required to use judgment in determining which assets or group of assets make up appropriate CGUs, for the level at which goodwill and intangible assets are tested for impairment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Determining the impact of impairment requires significant judgment in identifying which assets or groups of assets form CGUs of the Company.

Functional currency
Determining the appropriate functional currency requires analysis of various factors, including the currencies and country-specific factors that influence the costs of providing goods or services.

Useful lives and impairment of intangible assets
Amortization of intangible assets is dependent upon management's estimate of the assets' useful lives, which requires judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of these assets.

Provisions and contingencies
The assessment of the existence and potential impact of contingencies and provisions inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Income and other taxes
The calculation of current and deferred income taxes requires the Company to make estimates and assumptions and to exercise judgment regarding the carrying values of assets and liabilities which are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results, the timing of reversal of temporary differences and possible audits of income tax filings by the tax authorities. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Changes or differences in underlying estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated statement of financial position, a charge or credit to income tax expense included as part of net income (loss) and may result in cash payments or receipts. Judgment includes consideration of the Company’s future cash requirements in its tax jurisdictions.

All income, capital and commodity tax filings are subject to audits and reassessments. Changes in interpretations or judgments may result in a change in the Company’s income, capital or commodity tax provisions in the future. The amount of such a change cannot be reasonably estimated.

COVID-19

In March 2019, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Canada and U.S. The spread of COVID-19 has caused significant volatility in Canadian, U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Canadian, U.S. and international economies and, as such, the Company is unable to determine if it will have a material impact to its operations.

Share-based payments

The determination of the value of share-based payments requires the Company to make estimates and assumptions on the value of the services received, or the value of the equity instruments on the granting date.

Changes to accounting policies

Adoption of amendments and interpretations to accounting standards

The Company has adopted the following amendments and interpretations to accounting standards during the current period and these amendments have not resulted in a material impact on these consolidated financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. Adoption of the standard has no impact on the Company’s financial statements.

IFRS 16 – Leases. The Company applied the IFRS 16 Leases accounting standard effectively from November 1, 2019 using the modified retrospective approach. Accordingly, comparative information was not restated. Adoption of the new standard had no impact on the Company’s consolidated financial statements.

Accounting standards issued but not yet effective

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The Company will adopt these amendments as of their effective date.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. The Company will adopt these amendments as of their effective date.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. The Company will adopt these amendments as of their effective date.

Results of Continuing Operations

The following table sets out certain unaudited financial information for the last eight quarters:

In thousands	**2020**				**2019**			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenues	6	-	-	-	-	-	-	-
Net income (loss)	(452)	(359)	(245)	(329)	(463)	(141)	(203)	(690)
Basic net earnings (loss) per share	(0.020)	(0.020)	(0.020)	(0.020)	(0.030)	(0.010)	(0.110)	(0.020)
Diluted net earnings (loss) per share	(0.020)	(0.020)	(0.020)	(0.020)	(0.030)	(0.010)	(0.110)	(0.020)

Comparison of the years ended October 31, 2020 and 2019

The Company reported $6,220 sales revenue in the year ended October 31, 2020 (2019 - $nil). The cost of goods sold for the quarter was $48,507 and the gross margin was a loss of $42,287. The cost of goods sold was high in the year because it is the first year of sales and there was much supplies and shipping costs spent for the preparation of first sales.

Expenses for the year ended October 31, 2020 totaled $1,343,377, compared to $1,497,389 in the year 2019. Directors fees and management fees totaled $463,486 (2019 - $513,000) of which $252,482 (2019 -356,000) were paid by issuance of shares of the Company. Consulting fees totaled $192,473 (2019 - $703,130) of which $133,333 (2019 - $674,954) were paid by shares of the Company. Professional fees were $180,191 (2019 - $61,275) of which $nil (2019 - $37,000) were paid by shares of the Company. Higher management and consulting fees in 2019 were partly due to the initial startup activities and patent acquisition. Other expenses included $121,847 (2019 - $30,292) general and administrative expenses, $1,846 (2019 - $2,466) interest and bank charges, $327,117 (2019 - $41,113) amortization of intangible assets and $5,778 foreign exchange gain (2019 - $699 loss)

Net loss and comprehensive loss for the year 2020 was 1,385,664 (2019 - $1,497,389). Net loss per Class A share, basic and diluted, for the year 2020 was $0.06 (2019 - $0.17).

The Company used $615,498 in cash for its operating activities in the year 2020, compared to a lower amount of $251,354 in 2019 because less shares were issued for expenses in the year 2020 compared to 2019. The company spent cash of $nil (2019 - $29,000) in asset acquisition in 2020. The Company reported a net cash inflow of $731,182 from financing activities in 2020 (2019 - $282,546), by issuance of shares for cash of $484,912 (2019 - $152,000), borrowing loan net of cost of $100,000 (2019 - $201,546), and getting proceeds from related parties of $146,270 (2019 - $nil), and paying $nil (2019 - $60,000) share issue costs and paying $nil (2019 - $11,000).

Comparison of the three months ended October 31, 2020 and 2019

The Company reported $6,220 sales revenue in the fourth quarter ended October 31, 2020 (2019 - $nil). This is the first quarter the Company reported a revenue. The cost of goods sold for the quarter was $48,507 and the gross margin was a loss of $42,287. The cost of goods sold was high in the quarter because it is the first quarter of sales and there was much supplies and shipping costs spent for the preparation of first sales.

Expenses for the quarter totaled $410,543, compared to $463,600 in the quarter in 2019. Directors fees and management fees total $114,098 (2019 - $178,000). Consulting fees totaled $22,825 (2019 - $76,925). Professional fees were $116,443 (2019 - $24,023). Other expenses total $25,235 (2019 - $2,214). Amortization of intangible assets for the quarter was $82,226 (2019 - $41,113)

Net loss and comprehensive loss for the quarter in 2020 was 452,830 (2019 - $463,600). Net loss per Class A shares, basic and diluted, for the year 2020 was $0.02 (2019 - $0.05).

Liquidity and Financial Resources

The Company has incurred two years of losses and as at October 31, 2020 has a cumulative deficit of $2,783,053 (2019 - $1,497,389); working capital deficit of $90,139 (2019 - working capital of $293,335); negative cash flow from operations for the year ended October 31, 2020 of $615,498 (2019 - $251,354); and has a shareholders' deficiency of $35,619 as at October 31, 2020.

Silo is still implementing its business model and has not yet generated operating profits. Long-term continuance of the Company's operations is dependent upon achieving profitable operations and, until that occurs, will rely on additional equity or debt financing. The Company's ability to continue as ongoing concern has always depended on the ability of management to raise capital and issue debt in the markets, or obtain funding from its shareholders.

Due to cash constraints, the Company paid for some of the assets and services it acquired in the years 2020 and 2019 by issuing of the shares of the Company.

Loan payable

The Company entered into a non-interest bearing, convertible promissory note with Jury Ventures, LLC, a company controlled by a director, on December 13, 2018 with a maximum of $125,000. An amount in excess of the maximum was drawn, for a total principal amount of $126,546. The amount was payable in full on December 12, 2019, and was convertible into Class A shares of the Company at $0.025 per share solely at the option of Jury Ventures, LLC. The convertible promissory note was fully converted into 2,500,000 Class A shares of the Company on January 15, 2019.

The Company entered into a promissory note with Jury Ventures, LLC on January 16, 2019 for an amount of up to $75,000 with 5% interest per annum. Principal and interest was payable in full on January 15, 2020. During 2019, the Company reached the borrowing limit, repaid $11,000 in principal, and incurred interest expense of $2,466. Total principal and interest payable was repaid through the issuance of shares during the year ended October 31, 2020, and was recorded at the carrying value of the loan at the time of repayment, $69,242.

On October 28, 2020, the Company entered into an unsecured, non-revolving credit facility agreement with Jury Land & Energy, LLC, a company controlled by a director, that was subsequently amended on January 28, 2021. The facility had a maximum of $250,000, which was increased to $300,000 upon amendment. $125,000 was drawn on October 28, 2020, $75,000 on November 20, 2020, and $100,000 on January 28, 2021. The loan is unsecured, bears interest at an annual rate of 12%, with interest and principal due the earlier of February 15, 2021 or the closing of a private placement by the Company of up to 10,000,000 common shares at a price of CAD$0.25 per share for aggregate cash proceeds of up to CAD$2,500,000. An initial fee of $25,000 was deducted from the first $125,000 withdrawal, and a $10,000 extension and amendment fee was deducted from the third $100,000 withdrawal. The Company accounted for the loan using the amortized cost method with an effective annual interest rate of 155% and recorded $616 in interest expense for the year ended October 31, 2020. Subsequent to October 31, 2020, the loan was extended to March 15, 2021.

SUMMARY OF CONTRACTUAL OBLIGATIONS

The cash obligations related to the Company's financial liabilities as at October 31, 2020 are:

Accounts payable and accrued liabilities	118,424	388
Due to related parties	131,288	-
Loans payable	100,616	68,012
Total liabilities	350,328	68,400

The table does not include Silo's obligations for future management consultant agreements or other commitments.

Commitments and contingencies

(a) The Company has a consulting agreement in effect from August 31, 2019 to October 31, 2020 that was replaced on August 25, 2020 with a binding term sheet with a revised term of January 1, 2021 to August 25, 2022. Upon execution of the amended agreement, 200,000 shares were issued and recognized at the estimated value of services provided of $4,548. A lump sum amount of $4,400 is payable at the earlier of public listing or January 1, 2021. Also, $1,900 in compensation per month is payable for 24 months beginning at the earlier of public listing or January 1, 2021. There can be no assurances if or when a public listing takes place. The Company is committed to payments of $42,400 under the remaining term of this contract as at October 31, 2020.

(b) On August 1, 2020, the Company entered into a preliminary employment agreement to appoint a new CEO. A definitive employment agreement will be provided following the successful completion of the amalgamation described in Note 16. The base salary is $5,900 per month plus an operational allowance of $2,000. He received a signing bonus of $1,500 and is entitled to a bonus of up to 20% of the base salary based on the determination of certain performance milestones. He may become entitled to stock options to purchase 100,000 common shares of the Company subject to board of director determination. As at October 31, 2020, the Company is committed to payments of $15,800 in the event of termination.

(c) On September 1, 2020, the Company entered into a binding term sheet with a consultant. Upon execution of the agreement, 75,000 shares were issued and recorded at an estimated value of $1,723 and a $10,000 relocation fee was paid. $2,900 per month is payable beginning after public listing (refer to Note 16 of the consolidated financial statements). There can be no assurances if or when a public listing takes place.

(d) The Company has a consulting agreement with a company controlled by one of the directors of the Company in effect from December 1, 2018 to December 31, 2020, which was replaced by an amended agreement dated May 1, 2020 with a term of 24 months. Pursuant to the original agreement, the consultant was engaged to provide ad hoc services related to strategy and operations, in exchange for 100,000 of the Company's Class A shares per month. The consultant has the option of receiving cash in lieu of shares of $10,000 per month, only if there are sufficient Company funds available. The amended agreement stipulates compensation of $15,000 per month from May 1, 2020. As at October 31, 2020, the Company is committed to payments of $270,000 under the terms of this contract.

(e) On November 1, 2020, the Company entered into an agreement which requires the Company to pay a director $1,000 per month as compensation for services as a director from November 1, 2020 to October 31, 2021. The contract may be cancelled or renewed by either party.

(f) The Company had signed an agreement with a director of the Company on October 28, 2019 which was amended on May 15, 2020. The amended agreement removed the anti-dilution clause to maintain 5.1% ownership and revised the compensation. Under the amended agreement, he was entitled to CAD $53,000upon execution of the agreement, and is entitled to $4,400 per month through the effective term of the amended agreement of 24 months. As at October 31, 2020, the Company is committed to payments of $72,000 under the terms of this agreement.

(g) The Company signed an agreement with a licensor for certain licensed property and trademarks on August 14, 2020, which was subsequently superseded by an amended agreement on November 20, 2020. Under the terms of the amended agreement, the effective term is from November 20, 2020 to July 31, 2025. Under the amended agreement, the Company is required to make an advance payment of $500,000, and a royalty of 10% of net sales for each contract year, with guaranteed minimum royalties of $500,000 in year 1, $600,000 in year 2, $750,000 in year 3, $900,000 in year 4 and $1,000,000 in year 5. In accordance with the agreement, the payments do not become payable until the release of certain funds raised through the financing, which took place subsequent to year end (see Note 16(a). The licensee has the option to terminate the agreement in its sole discretion following the second year under contract, or through the payment of a $500,000 termination fee. The initial agreement required the licensee to grant to the licensor 2,000,000 shares of the licensee upon execution of the initial agreement. The 2,000,000 shares were issued on August 14, 2020 valued at $45,455 based on the estimated value of the shares issued in a recent financing and were recorded as a prepaid expense.

(h) The Company has a contract with a company controlled by its CFO for consulting services. The Agreement is effective through February 2021, for CAD$10,000 per month. As at October 31, 2020, the Company is committed to payments of $30,000 under the terms of this agreement.

(i) The Company has an agreement with a consultant for twenty-four months from the effective date of May 22, 2020, with compensation of $6,000 per month. In the event that an acquisition is originated by the consultant, the consultant would be entitled to a 4% finders' fee. As at October 31, 2020, the Company is committed to payments of $114,000 under the terms of this agreement.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company has exposure to the following risks arising from financial instruments:

• credit risk
• liquidity risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established a risk management strategy, which incorporates development and monitoring of the Company's risk management activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company's approach to risk management is assessed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and receivables. The Company's maximum exposure to this risk is equal to the carrying amount of these financial assets. The cash is held with a financial institution counterparty which is highly-rated and the receivables are owed from the government of Canada as sales tax recovery. As such, the Company has assessed an insignificant loss allowance on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have access to sufficient liquid assets to meet its current liabilities when they are due, under both normal and stressed conditions, without incurring excessive losses. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company is exposed to this risk on its accounts payable and accrued liabilities, due to related parties, and loans payable.

OUTSTANDING SHARE DATA

Silo is seeking to list on the Canadian Securities Exchange by a reverse takeover. As of October 31, 2020, the Company had 35,066,730 Class A common shares issued and outstanding. There were no Class B common shares, no warrants and no options outstanding. Please refer to the Note 9 to the October 31, 2020 financial statements for the details of shares issued in the years ended October 31, 2020 and 2019.

On November 1, 2019, the Board of Directors was authorized to effect a reverse split ("Reverse Split") of the Company's outstanding Class A and Class B common shares, at an exchange ratio of 2-to-1. Immediately after the Reverse Split, the total number of outstanding Class A shares is 13,365,141 and the total number of outstanding Class B shares is 250,000. The number of shares disclosures in these consolidated financial statements and MD&A have been adjusted and presented on a post-reverse stock split basis.

SUBSEQUENT EVENTS AND PLANNED RTO

(a) On August 25, 2020, the Company entered into an amalgamation agreement ("Amalgamation Agreement") with Yukoterre Resources Inc. ("Yukoterre") and a wholly-owned subsidiary of Yukoterre ("Yukoterre Subco"). Pursuant to the amalgamation agreement, the Company and Yukoterre will complete a three-cornered amalgamation ("Proposed Transaction") which will involve Yukoterre Subco amalgamating with the Company to form a single, wholly-owned subsidiary of Silo Wellness Inc. ("Resulting Issuer"), the resulting issuer post-closing of the Proposed Transaction. On October 8, 2020, the Company and Yukoterre entered into an amendment to the Amalgamation Agreement to amend certain deadlines and dates. The Proposed Transaction received Yukoterre's shareholders approval on January 29, 2021.

In connection with Proposed Transaction, the Company completed a brokered private placement of subscription receipts of the Company ("Subscription Receipts") to raise up to CAD $2.5 million, with an option for the agent to raise up to an additional CAD $0.5 million ("Concurrent Financing"). Upon the satisfaction of the release conditions of Proposed Transaction, each Subscription Receipt will convert into one unit of the Company ("Silo Unit"), which will consist of one common share of the Company and one half of one common share purchase warrant in the capital of the Company. Each warrant shall be exercisable to acquire one common share of the Company at a price of CAD $0.33 for a period of 24 months following the satisfaction of release conditions. The Proposed Transaction is expected to result in a reverse acquisition, whereby the Company acquires Yukoterre for accounting purposes.

In connection with the Concurrent Financing, the agent will be entitled to receive a commission equal to 8% of the aggregate gross proceeds in cash or Subscription Receipts, and compensation warrants exercisable to acquire such number of Silo Units as its equal to 8% of the number of Subscription Receipts. Each compensation warrant will be exercisable to acquire one Silo Unit for a period of 24 months following the satisfaction of release conditions. In addition, the Company shall pay the agent a corporate finance fee equal to 5% of the aggregate number of Subscription Receipts.

On February 5, 2021, the Company announced the close of the above CAD $2.5 million Subscription Receipt Financing. Additionally, Silo Wellness is conducting a concurrent non-brokered private placement for gross proceeds of up to approximately CAD $2.5 million (the “Unit Financing” and together with the Sub Receipt Financing, the “Financing”) of units (the “Units”) at a price of CAD $0.25 per Unit and has received CAD $2.4 million (for a total of CAD $4.9 million raised), all such funds being held in escrow pending the completion of the transactions (the “Proposed Transaction”) contemplated in the amalgamation agreement dated as of August 25, 2020 among Yukoterre, Silo Wellness and 1261466 BC Ltd. (as amended to the date hereof, the “Amalgamation Agreement”).

The proceeds of the Sub Receipt Financing (the “SR Escrowed Funds”) have been deposited in escrow, pending the satisfaction of certain customary escrow release conditions which include Yukoterre and Silo Wellness receiving all applicable regulatory approvals to complete the Proposed Transaction (the “Release Conditions”). Upon satisfaction of the Release Conditions, immediately prior to the completion of the Proposed Transaction, each Subscription Receipt will automatically convert into Units consisting of one common share of Silo Wellness (collectively, the “Silo Shares”) and one-half of one common share purchase warrant of Silo Wellness exercisable at a price of CAD $0.33 (collectively, the “Silo Warrants”) for a period of 24 months from the date the Release Conditions are satisfied. Subsequently, the Silo Shares will be exchanged for common shares of Yukoterre (the “Resulting Issuer Shares”) and the Silo Warrants will be exchanged for common share purchase warrants of Yukoterre (the “Resulting Issuer Warrants”), in each case on a one-for-one basis pursuant to the terms of the Amalgamation Agreement. If the Proposed Transaction is not completed on or before June 4, 2021 or Silo Wellness advises the Agents or announces to the public that it does not intend to satisfy the Release Conditions or that the Proposed Transaction has been terminated, the SR Escrowed Funds will be returned to the subscribers and the Subscription Receipts will be void and be of no further effect or value.

The proceeds of the Unit Financing (the “Unit Escrowed Funds”) have been deposited in escrow, pending Yukoterre and Silo Wellness receiving all applicable regulatory approvals (the “Unit Escrow Conditions”). Upon satisfaction of the Unit Escrow Conditions, immediately prior to the completion of the Proposed Transaction, the Unit Financing shall close and Units comprised of one Silo Share and one-half of a Silo Warrant will be issued. Subsequently, the Silo Shares and the Silo Warrants will be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants, in each case on a one-for-one basis pursuant to the terms of the Amalgamation Agreement.

In consideration for their services in connection with the Sub Receipt Financing, Silo Wellness agreed to (i) pay to the Agents a fee equal to 8.0% of the gross proceeds from the Sub Receipt Financing; (ii) pay a corporate finance fee equal to 5.0% of the aggregate number of Subscription Receipts issued pursuant to the Sub Receipt Financing; and (iii) issue to the Agents broker warrants (the “Broker Warrants”) equal to 8.0% of the number of Subscription Receipts sold pursuant to the Sub Receipt Financing. In exchange for certain advisory services provided by the Agents to Silo Wellness, the Agents also received an advisory fee equal to CAD $47,677. The net proceeds of the Financing, once released from escrow, are intended to be used by Silo Wellness to expand and grow the business of Silo Wellness and for working capital purposes.

(b) Subsequent to October 31, 2020, the Company made an advance of CAD$50,000 to Yukoterre for temporary support of the working capital of Yukoterre. The advance is unsecured, non-interest bearing, and due on demand.

(c) Subsequent to October 31, 2020, the Company issued 389,120 units at a price of CAD $0.25 per unit (aggregate subscription price of approximately CAD $97,280). Each unit consists of one common share and one-half of one common share purchase warrant in the capital of the Company. Each warrant is exercisable to acquire one common share of the Company at a price of CAD $0.33 for a period of 24 months.

(d) On November 3, 2020, Oregon voters passed Oregon Measure 109 in the 2020 election authorizing the Oregon Health Authority to create a program to permit licensed service providers to administer psilocybin-producing mushroom and fungi products to individuals 21 years of age or older. Oregon becomes the first state in the United States to allow the use of psilocybin in therapy. The measure does not decriminalize psilocybin. It is till a Schedule I drug under federal rules and thus not approved for any medical uses. Instead, Measure 109 directs the Oregon Health Authority to create a state-licensed, psilocybin-assisted therapy program over the next two years and determine how it would regulate the ingredient. Ultimately the Measure allows therapists to use psilocybin to treat chronic mental health issues like PTSD and depression. Therapist also plan to use it to reduce anxiety for patients who are dying and to help people kick their additions. Psilocybin will not be available for purchase in stores. I will only be available through an extensive, three-session therapy system located in state-licensed clinic.

RELATED PARTY TRANSACTIONS

Key management personnel and directors include the Company's Chief Executive Officer, Chief Financial Officer, former CEO/CFO, and members of the Board of Directors. The compensation paid or payable to key management and outside directors are included in director and management fees in the statement of loss and comprehensive loss. For the year ended October 31, 2020, total compensation to key management totaled $463,486 (2019 - $722,397), of which $242,044 (2019 - $922,724) was paid by shares of the Company.

Total compensation to directors and key management for the period in 2020 are summarized as follows:

Total Compensation	Expenses included in 2019	Prepaid Expenses	Paid in cash	Paid in shares (note 9(iii))
$ 979,724	$ 722,391	$ 257,333	$ 57,000	$ 922,724

Total compensation to directors and key management for the period in 2019 are summarized as follows ($257,333 prepaid share-based compensations were expensed in the year ended October 31, 2020):

Total Compensation	Expenses included in 2020	Prepaid Expenses	Paid in cash	Paid in shares (note 9(iii))
$ 236,731	$ 525,371	$ 32,000	$ 283,327	$ 242,044

As at October 31, 2020, a director owed the Company $nil (2019 - $1,000 for their subscription for 50,000 Class B shares at a price of $0.02 per share). As at October 31, 2020, the Company owed to directors and officers in total of $72,521 (2019 - $387). These amounts are unsecured, non-interest bearing, due on demand.

See also above loan payable that is also a related party transaction.

RISKS AND UNCERTAINTIES

The following is a summary of certain risks relating to Silo's business. Additional risks and uncertainties not currently known to Silo or that Silo currently considers immaterial also may impair Silo's business operations. If any of the following risks materialized, Silo's business could suffer. In that event, the value of Silo's common shares could decline, Silo's ability to make payments due on the liabilities could be impaired and holders of Common Shares could lose all or part of their investment.

Indebtedness

Silo has debt and interest payment requirements that may restrict its future operations and impair its ability to meet its financial obligations. A portion of cash flow from operations is dedicated to the payment of principal and interest on indebtedness, which reduces funds available for other business purposes and increases Silo's vulnerability to general economic conditions and industry conditions. The ability to service Silo's debt depends on Silo's operating and financial performance, which is subject to economic and competitive conditions and to other factors beyond its control, including but not limited to, increased operating costs, increases in interest rates, and market liquidity conditions.

Silo's debt could limit its flexibility in planning for or reacting to, changes in its business and the industry in which it operates and place it at a competitive disadvantage compared to some of its competitors that have less financial leverage. If cash flow and capital resources are inadequate to meet its debt service obligations, Silo may be forced to abandon, reduce or delay capital expenditures, product and service launches, business opportunities and growth initiatives and to sell assets, refinance its indebtedness, seek additional capital or restructure.

Cash Flows and Profitability
Silo has not earned profits to date, and there is no assurance that Silo will earn profits in the future, or that profitability, when achieved, will be sustained. A significant portion of Silo's financial resources have been and will continue to be re-invested. Silo's success will ultimately depend upon its ability to leverage increased revenue and external financing. There is no assurance that future revenues and financing will be sufficient to generate the required funds to continue business development and marketing initiatives.

Impact of COVID-19
In the year 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company and its operations 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 US and other countries to fight the virus.

Effective Growth Management
Silo expects to continue to grow its operations through the addition of new products and services and the expansion of products and services both within and outside the US. The growth in operations and staff has placed, and will continue to place, a strain on existing management systems and resources. If Silo fails to manage the Company's future growth, the business may experience higher operating expenses and it may be unable to meet the expectations of investors with respect to future operating results.

Recruiting and Retaining Employees
Recruiting and retaining qualified personnel is critical to Silo's success. As Silo's business activity grows, Silo will require additional key financial, administrative and technical personnel as well as additional operations staff.

Competition
Silo's operates in a new and highly competitive marketplace. Increased competition may result in reduced gross margins and loss of market share and would harm Silo's business and results of operations. Management cannot be certain that its subsidiaries will be able to compete successfully against current or future competitors or that competitive pressure will not seriously harm its business. Some of Silo's competitors are much larger than Silo and have greater access to capital, marketing and technical and other resources, including the ability to make strategic acquisitions or establish cooperative relationships.

New Product Launches
Silo seeks to develop, launch and promote new products and services, and to expand existing products and services into new markets, that management believes are strategic. There can be no assurance that Silo's associates will be able to launch such product offerings in a cost-effective manner or in the timeframe estimated by management or that any such efforts will generate revenues, profits or market acceptance. Any new business or product launched by Silo that is not positively received by customers could damage Silo's reputation and diminish the value of its brands. Expansion of Silo's operations could also require significant additional expenses and development, operations and other resources and could strain Silo's management, financial and operational resources.

Financing Requirements and Availability of Capital
The amount of the future capital requirements could be adversely affected by numerous factors, including, but not limited to, lower than expected demand for its products and services, adverse changes in Silo's business environment, delays in growth of Silo's customer base, government regulations, failure or delays in executing marketing programs, growth that is more rapid than anticipated and competitive pressures. Silo may also need to raise additional funds or obtain additional debt sooner than anticipated in order to acquire businesses, technologies or products, or fund investments and other relationships Silo believes are strategic. Silo will also need to raise additional capital to repay its loan. Accordingly, Silo's actual capital requirements may vary from currently anticipated needs, and such variations could be material.

There can be no assurance that additional financing will be available on commercially reasonable terms or at all. If adequate funds are not available or are not available on acceptable terms, Silo may not be able to fund its expansion, take advantage of strategic acquisitions, investments or other opportunities or respond to competitive pressures. Such inability to obtain financing when needed could have a material adverse effect on Silo's business, results of operations and financial condition.

If additional funds are raised through the issuance of equity securities, or if Silo elects to issue common shares in payment of debts, assets and services acquired, the percentage ownership of Silo's shareholders will be reduced. Silo may incur substantial costs in raising future capital, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. Until Silo is able to generate and predict continued positive cash flows from recurring revenue, Silo faces risk in utilizing existing cash resources and may require further cash infusions from investors to maintain operations and to repay or service its debt obligations when they come due.

Price and Volume Volatility
Silo's common shares after listing may be affected by limited or irregular trading volumes, which may affect investors' ability to sell common shares and debentures. The price of the common shares may be volatile and could be subject to wide fluctuations due to a number of factors including the risk factors described in this management analysis. In addition, broad fluctuations in the financial markets as well as economic conditions may adversely affect the market price of the common shares**.**

Fluctuation in Operating Results
Silo may experience fluctuations in future operating results that may be caused by many factors, including but not limited to variability of sales to new and existing customers, changes in the level of marketing and other operating expenses, competitive factors and the timing of new product launches.

It is likely that, from time to time, Silo's future operating results will not meet the expectations of securities analysts or investors, which may have a material adverse effect on the market price of the common shares.

Reliance on Senior Management and Other Key Employees
There can be no assurance that Silo will be able to continue to attract and retain qualified personnel necessary for the development of the businesses in which Silo competes. If Silo is not able to retain qualified personnel, product development and implementation initiatives will be impaired or delayed thereby adversely affecting Silo's business, results of operations and financial condition. Silo does not have in place formal programs for succession and training of management.

Regulatory Regime

The regulation of psilocybin industry is extensive and designed to protect the public, while providing standard guidelines for business operations. Silo subject to governmental laws and regulations relating to Failure to comply with, or changes to, existing or future laws and regulations could result in significant unforeseen costs and limitations, and could have an adverse impact on Silo's business, results of operations and financial condition. Currently there is only a few countries in the world where psilocybin mushrooms are legal. Jamaica is one of the few. Other countries where the psilocybin mushrooms are legal or partly legal include Bahamas, Brazil, BVI, Republic of Moldova, Nepal, and Netherlands. In most part of the world including the United States and Canada the psilocybin is illegal. Oregon of the United States is the first state in the nation to allow the use of psilocybin in therapy. The company intents to offer psilocybin retreats in Oregon as well as pursue a clinical psilocybin-assisted counseling element with patients using the psilocybin nasal spray prior to sessions through either licensees or through Silo's own brand psilocybin service centers, but there is no guarantee that such licensees and licenses will be acquired successfully.

Changes may occur in laws and regulations, or the interpretation or enforcement thereof, that could increase Silo's compliance and other costs of doing business, require significant systems redevelopment, or render its products or services less profitable or obsolete, any of which could have an adverse effect on Silo's business, results of operations and financial condition.

Economic Risk
A major change in any of the market segments that are serviced by Silo could potentially impact its ability to sell products and services within those segments and would have a negative effect on its business.

The general economic environment impacts Silo and its subsidiaries in many ways including the employment of foreign workers, customer spending, online sales and marketing, capital availability and funds available for marketing and advertising. An economic slowdown could cause the demand for Silo's products or services to decline.

Growth in Silo's customers' businesses is affected by the economic environment and could therefore have an impact on Silo's operating results. Silo cannot predict the impact current economic conditions will have on its future results, nor predict future economic conditions.

Silo's current and potential customers might reduce or delay their expenditures. An economic slowdown could also lead to greater delays and defaults in payments or debt collection, competition increases and reductions in prices by competitors seeking to maintain or expand their market share. Silo's pricing and profitability could be adversely affected as a result.

Political Conditions
Silo conducts business activities in and out of the United States, including those countries lack of a mature and stable political system, there is always the potential for changes in policies or shifts in political attitude towards foreign operations. Changes, even if minor in nature, may adversely affect Silo's operations.

Permits, Licenses and Approvals
The operations of Silo and its facilities, and the agreements into which they have entered require approvals, licenses and permits from various regulatory authorities, governmental and otherwise, that are not guaranteed. Silo believes that it and its associates hold or will obtain all necessary approvals, licenses and permits under applicable laws and regulations in respect of their businesses and, to the extent they have already been granted, believes they are presently complying in all material respects with the terms of such approvals, licenses and permits. However, such approvals, licenses and permits are subject to change as regulations change. There can be no guarantee that Silo or its associates will be able to obtain or maintain all necessary approvals, licenses and permits that may be required or that all governmental decrees and/or required legislative enactments will be forthcoming.

Credit Risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and receivables. The Company's maximum exposure to this risk is equal to the carrying amount of this financial asset. The cash is held with a financial institution counterparty which is highly rated. As such, the Company has assessed an insignificant loss allowance on this financial instrument.

Acquisition Risk
While Silo's acquisition process typically includes extensive due diligence on the business or assets to be acquired and acquisition agreements typically include detailed representations and warranties respecting the business or assets being acquired, there can be no assurance that Silo would not become subject to certain undisclosed liabilities associated with the acquired assets that Silo failed or has been unable to discover during the due diligence process prior to the closing of the acquisition. The discovery of any unrecoverable material liabilities could have an adverse and material effect on Silo's business, results of operations and financial condition. The process of integrating an acquired business, product or technology can create unforeseen operating difficulties, expenditures, and other challenges. An asset purchase or acquisition financed using cash or securities of the Company may also be considered dilutive to shareholders and reduce the Company's cash position.

Information Technology Systems
The business and operations of Silo involve processing of transactions and management of the data necessary to do so. In the event of a breakdown, a catastrophic event (such as fire, natural disaster, power loss, telecommunications failure or physical break-in), a security breach or malicious attack, an improper action by its employees, agents or third-party vendors or any other event that results in the destruction or disruption of any of Silo's critical business or information technology systems, Silo's ability to conduct normal business operations would be affected and Silo could suffer financial loss, loss of customers, regulatory sanctions and damage to its reputation. Such a disruption may materially and adversely affect Silo's business, financial conditions and results of operations.

Changes in Technology
If Silo is unable to respond to the rapid changes in technology and services that characterize the financial services industry, Silo's business and financial condition could be negatively affected.

Silo's ability to transition to new services and technologies may be inhibited by a lack of industry-wide standards, by resistance from its customers and distributors, or by the intellectual property rights of third parties. Silo's future success will depend, in part, on its ability to adapt to technological changes and evolving industry standards. These initiatives are inherently risky, and they may not be successful or may have an adverse effect on Silo's business, financial conditions, and results of operations.

Foreign Exchange
Silo has exposure to foreign exchange risk. Foreign exchange risk arises from purchase and sale transactions, as well as the recognition of financial assets and liabilities denominated in foreign currencies.

No History of Earnings, Positive Cash Flow or Dividend Payments
Silo has no history of earnings and it has not paid any dividends. There can be no assurance that Silo's activities will generate positive cash flow. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including future earnings, capital requirements, operating and financial condition and a number of other factors that the Board considers appropriate.

Dilution of Common Shares
In the event that the Company increases the number of common shares issued, or if a significant number of common shares are issued as a result of the exercise of the share purchase rights, this may have a depressive effect on the price of Silo's common shares. In addition, the voting power of Silo's existing shareholders and their economic interest in Silo will be diluted.

Use of Estimates and Measurement Uncertainty
Estimates by management represent an integral component of financial statements prepared in conformity with International Financial Reporting Standards. The estimates made in the consolidated financial statements of the Company for the year ended October 31, 2020 reflect management's judgement based on experiences, present conditions, and expectation of future events. Where estimates were made, the reported amounts for assets, liabilities, revenues and expenses may differ from the amounts that would otherwise be reflected if the ultimate outcome of all uncertainties and future events were known at the time the financial statements were prepared.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

In accordance with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the CEO and CFO file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109.

As part of our corporate governance practices, ICFR and DC&P have been designed. There has been no formal evaluation of the operation of these controls. The Company has designed its ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance IFRS.

Management works to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

The Company's DC&P have been designed to ensure that information required to be disclosed by Silo is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. It should be noted that while the Company's CEO and CFO believe that the Company's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors or fraud.

EXHIBIT C

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

YUKOTERRRE RESOURCES INC.

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

October 31, 2020

(Expressed in United States dollars)

YUKOTERRE RESOURCES INC.
Pro Forma Condensed Consolidated Statement of Financial Position
As at October 31, 2020
(Unaudited)
(Expressed in US dollars)

	FlyOverture Equity, Inc. At October 31, 2020	Yukoterre Resources Inc. At October 31, 2020		Pro Forma Adjustments (Note 4)	Pro Forma Consolidation
ASSETS					
Current					
Cash and cash equivalents	$ 117,876	$ 5,571	(a)	$ (100,000)	$ 3,528,683
			(c)	3,432,188	
			(f)	73,048	
Inventories	7,434	-		-	7,434
Other receivables and prepaid expenses	134,879	18,660		-	153,539
	260,189	24,231		3,405,236	3,689,656
Non-current					
Intangible assets	54,520	-		-	54,520
Total assets	$ 314,709	$ 24,231		$ 3,405,236	$ 3,744,176
LIABILITIES					
Current					
Accounts payable and accrued liabilities	$ 118,424	$ 176,191		$ -	$ 294,615
Due to related parties	131,288	-			131,288
Loans payable	100,616	8,782		-	109,398
	350,328	184,973		-	535,301
Warrant liabilities	-	-	(c)	625,652	638,070
			(f)	12,418	
Total Liabilities	350,328	184,973		638,070	1,173,371
SHAREHOLDERS' EQUITY					
Share capital	2,747,434	508,326	(c)	2,799,234	6,545,768
			(d)	(508,326)	
			(d)	819,562	
			(e)	118,908	
			(f)	60,630	
Warrants	-	-	(c)	59,417	59,417
Contributed surplus	-	62,309	(d)	(62,309)	57,284
			(d)	57,284	
Deficit	(2,783,053)	(731,377)	(a)	(100,000)	(4,091,663)
			(c)	(52,113)	
			(d)	731,377	
			(d)	(1,037,589)	
			(e)	(118,908)	
	(35,619)	(160,742)		2,767,166	2,570,805
	$ 314,709	$ 24,231		$ 3,405,236	$ 3,744,176

See accompanying Notes to the Unaudited Pro-Forma Condensed Consolidated Financial Statements

YUKOTERRE RESOURCES INC.
Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss
For the year ended October 31, 2020
(Unaudited)
(Expressed in US dollars)

	FlyOverture Equity, Inc. For the year ended October 31, 2020	Yukoterre Resources Inc. For the year ended October 31, 2020		Pro Forma Adjustments (Note 4)	Pro Forma Consolidation
Revenue					
Sales	$ 6,220	$ -		$ -	$ 6,220
Cost of good sold	(48,507)	-		-	(48,507)
	(42,287)	-		-	(42,287)
Expenses					
Consulting and management fees	655,959	65,157		-	721,116
Professional fees	180,191	22,456		-	202,647
General office expenses	121,847	92,214		-	214,061
Business development fees	62,195	-		-	62,195
Amortization	327,117	-		-	327,117
Transaction costs			(a)	100,000	1,308,610
			(c)	52,113	
			(d)	1,037,589	
			(e)	118,908	
Total expenses	1,347,309	179,827		1,308,610	2,835,746
Loss before the undernoted	1,389,596	179,827		1,308,610	2,878,033
Impairment of exploration and evaluation asset	-	318,912		(318,912)	-
Foreign exchange loss	(5,778)	-		-	(5,778)
Interest expense	1,846	148		-	1,994
Net loss for the year	$ 1,385,664	$ 498,887		$ 989,698	$ 2,874,249
Basic and diluted loss per share					$ 0.05
Weighted average number of common shares outstanding - basic and diluted					61,079,320

1. BASIS OF PRESENTATION

The unaudited pro forma condensed consolidated financial statements of Yukoterre Resources Inc. ("Yukoterre") and FlyOverture Equity, Inc. ("FlyOverture") which comprise the pro forma condensed consolidated statement of financial position as at October 31, 2020 and the pro forma condensed consolidated statement of loss and comprehensive loss for the year ended October 31, 2020, have been prepared by management of Yukoterre for illustrative purposes only, to show the effect of the combination of Yukoterre with FlyOverture. Yukoterre is a public company listed on the Canadian Securities Exchange (the "Exchange"). As more fully described in Note 3, FlyOverture and Yukoterre entered into a definitive amalgamation agreement pursuant to which Yukoterre will acquire all of the issued and outstanding securities of FlyOverture in exchange for securities of Yukoterre (the "Transaction"). Completion of the Transaction is subject to the satisfaction or waiver of certain conditions, including the receipt of shareholder and regulatory approval.

The unaudited pro forma condensed consolidated financial statements have been compiled from:

a) The audited consolidated financial statements of FlyOverture as at and for the year ended October 31, 2020;
b) The audited financial statements of Yukoterre as at and for the year ended October 31, 2020.

These pro forma condensed consolidated financial statements are presented in US Dollars which is expected to be the functional currency of the continuing entity. For the purposes of these pro forma condensed consolidated statements, the statement of financial position of Yukoterre has been translated from Canadian Dollars (the Company's reporting currency) to US Dollars using the exchange rate as at October 31, 2020 (CAD$1 = USD$0.7509), and the statement of loss and comprehensive loss has been translated at the average exchange rates for the respective periods.

The unaudited pro forma condensed consolidated statement of financial position as at October 31, 2020 has been prepared as if the transaction described in Note 3 and pro forma adjustments described in Note 4 had occurred on October 31, 2020 and the unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the year ended October 31, 2020 has been prepared as if the transaction described in Note 3 and pro forma adjustments described in Note 4 had occurred on November 1, 2019. It is management's opinion that the unaudited pro forma condensed consolidated financial statements, in all material respects, the Transaction, assumptions and adjustments described in Notes 3 and 4, are consistent with International Financial Reporting Standards ("IFRS"). The unaudited pro forma condensed consolidated financial statements are not intended to reflect the financial position of Yukoterre which would have actually resulted had the Transaction been affected on the dates indicated. Actual amounts recorded upon consummation of the agreement will likely differ from those recorded in the unaudited pro forma condensed consolidated financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the unaudited pro forma condensed consolidated financial statements. Certain elements of the financial statements of Yukoterre and FlyOverture have been reclassified to provide a consistent format.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the audited financial statements of Yukoterre as at and for the year ended October 31, 2020 and the audited consolidated financial statements of FlyOverture as at October 31, 2020 including notes thereto of FlyOverture and Yukoterre, and included in the filing statement (FlyOverture) or posted on www.sedar.com (Yukoterre).

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the unaudited pro forma condensed consolidated financial statements are as set out in Yukoterre's audited financial statements for the year ended October 31, 2020. In preparing the unaudited pro forma condensed consolidated financial statements, a review was undertaken to identify accounting policy differences between Yukoterre and FlyOverture where the impact was potentially material and could be reasonably estimated. Accounting policy differences may be identified after consummation and integration of the proposed acquisition. However, the significant accounting policies of FlyOverture are believed to conform, in all material respects, to those of Yukoterre.

3. ACQUISITION OF YUKOTERRE

On August 25, 2020, Yukoterre and FlyOverture entered into a definitive amalgamation agreement pursuant to which Yukoterre will acquire all of the issued and outstanding securities of FlyOverture in exchange for securities of Yukoterre.

The Transaction is structured as a three-cornered amalgamation, pursuant to which 1261466 B.C. Inc. ("Yukoterre Subco"), a wholly-owned subsidiary of Yukoterre, and FlyOverture will amalgamate (the "Amalgamation") to form a newly amalgamated company ("Amalco"), and upon the Amalgamation, former shareholders of FlyOverture ("FlyOverture Shareholders") will receive one New Yukoterre Share for each one FlyOverture Share held and Amalco will become a wholly-owned subsidiary of Yukoterre. Prior to the Transaction, Yukoterre will effect a share consolidation on the basis of 0.5 common share for every 1 share issued and outstanding.

Existing Yukoterre post-consolidation stock options will be replaced with stock options of the continuing entity based on an exchange ratio of 0.5:1. The exercise prices of the instruments will be adjusted by the share exchange ratio of 0.5:1, to reflect the previously noted share consolidation. The terms of the instruments will be otherwise unaltered.

Upon completion of the Amalgamation, Yukoterre will be the parent and the sole shareholder of Amalco and thus will indirectly carry on the business of FlyOverture under the name "Silo Wellness Inc." As of October 31, 2020, FlyOverture's authorized capital consists of an unlimited number of Class A shares and Class B shares, of which 35,066,730 Class A and nil Class B shares are issued and outstanding.

As the shareholders of FlyOverture will control the continuing entity, the Transaction will constitute a reverse takeover ("RTO") for accounting purposes.

On closing of the Transaction, Yukoterre expects to issue an aggregate of 61,079,320 common shares to existing shareholders of FlyOverture.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Canadian Securities Exchange acceptance and shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.

(Expressed in US Dollars)

4. PRO FORMA ADJUSTMENTS

The unaudited pro forma condensed consolidated statement of financial position reflects the following adjustments as if the Transaction had occurred on October 31, 2020. The unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the year ended October 31, 2020 reflects the following adjustments as if the Transaction had occurred on November 1, 2019.

(a) Transaction costs of approximately $100,000 are expected to be paid in cash.

(b) Reverse impairment of exploration and evaluation asset.

(c) Record the private placement whereby 19,600,000 subscription receipts of FlyOverture are to be issued at a price of CAD$0.25 per share for gross proceeds of CAD$4,900,000 (USD $3,679,410). Each common share issued in this private placement will convert into one unit of FlyOverture (“Silo Unit”) upon completion of the Transaction. Each Silo Unit consists of one common share of the Company and one half of one common share purchase warrant in the capital of the FlyOverture. Each warrant shall be exercisable to acquire one common share of FlyOverture at a price of CAD$0.33 for a period of 24 months. The issue date fair value of the warrants was estimated at CAD$833,243 (USD $625,652) using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100% based on the volatility of comparable entity shares; risk-free interest rate of 0.24% and an expected life of 2 years.

In connection with the private placement, FlyOverture is anticipated to pay the agent cash commissions of $150,180 and corporate finance fee in the capital of FlyOverture valued at $96,863, and to issue the agent 800,000 compensation warrants. Each compensation warrant will be exercisable to acquire one Silo Unit at a price of CAD$0.25 for a period of 24 months. The issue date fair value of the compensation warrants was estimated at CAD$79,131 (USD $59,417) using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100% based on the volatility of comparable entity shares; risk-free interest rate of 0.24% and an expected life of 2 years.

(d) Record the Transaction, whereby under the acquisition accounting rules, FlyOverture acquired Yukoterre. The assets acquired, and liabilities assumed are to be recorded at their estimated fair market values, which are based on preliminary management estimates and are subject to final valuation adjustments. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction equivalent to the issuance of shares by the non-public operating entity, FlyOverture Equity, Inc., for the net assets and the listing status of the non-operating public company, Yukoterre. The difference between the purchase price consideration paid and the net identifiable assets acquired is treated as a reverse takeover acquisition cost and is expensed.

Purchase Price Consideration Paid:

Estimated fair value of Yukoterre shares (i)	$	819,563
Estimated fair value of Yukoterre options (ii)		57,284
	$	876,847

(Expressed in US Dollars)

4. PRO FORMA ADJUSTMENTS (continued)

Net Assets (Liabilities) Acquired

Cash	$	5,571
Amounts receivable		13,141
Prepaid expenses		5,519
Accounts payable and accruals		(176,191)
Loans payables		(8,782)
	$	(160,742)
Excess of purchase price over fair value	$	1,037,589
	$	876,847

(i). The estimated fair value of the Yukoterre shares was based on the financing price as expected to be completed by FlyOverture at CAD$0.21 per common share.

(ii). The estimated fair value of the 592,500 Yukoterre options with a weighted average exercise price of CAD$0.20 and a weighted average life of 3.28 years was estimated based on the FlyOverture financing share price, an exchange ratio of 0.5:1, an expected life of 3.28 years, an expected volatility of 100%, based on the volatility of comparable entity shares, an expected dividend yield of 0% and a risk-free rate of 0.31%.

(e) Issue common shares to settle change of control agreements of 2 Yukoterre executives.

(f) Record the private placement whereby 389,120 common shares of FlyOverture are issued at a price of CAD$0.25 per share for gross proceeds of CAD$97,280 (USD $73,047). Each common share issued in this private placement will convert into one unit of FlyOverture ("Silo Unit") upon completion of the Transaction. Each Silo Unit consists of one common share of the Company and one half of one common share purchase warrant in the capital of the FlyOverture. Each warrant shall be exercisable to acquire one common share of FlyOverture at a price of CAD$0.33 for a period of 24 months. The issue date fair value of the warrants was estimated at CAD$16,537 (USD $12,418) using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100% based on the volatility of comparable entity shares; risk-free interest rate of 0.24% and an expected life of 2 years.

Management will continue to review information and perform further analysis with respect to the valuation of the purchase consideration and the net assets acquired, prior to finalizing the allocation of the purchase price.

(Expressed in US Dollars)

5. PRO FORMA SHAREHOLDERS' EQUITY CONTINUITY

A pro forma continuity of Yukoterre's issued capital stock and related recorded values after giving effect to the pro forma adjustments described in Note 4 above is set out below:

		Common shares	Warrants	Contributed Surplus	Deficit	Equity
	#	$	$	$	$	$
FlyOverture at October 31, 2020	35,066,730	2,747,434	-	-	(2,783,053)	(35,619)
Subscription receipts financing, to be completed prior to completion, net of issue costs	19,600,000	2,799,233	59,417	-	(52,113)	2,806,536
Private placement financing	389,120	60,630	-	-	-	60,630
FlyOverture equity, immediately prior to transaction	55,055,850	5,607,297	59,417	-	(2,835,166)	2,831,547
Yukoterre acquisition	5,260,270	819,563	-	57,284	(1,137,589)	(260,742)
Share issued for termination	763,200	118,908	-	-	(118,908)	
Total Pro Forma Shareholders' Equity	61,079,320	6,545,768	59,417	57,284	(4,091,663)	2,570,805

As at October 31, 2020, Yukoterre has the following stock options outstanding after giving effect to the pro forma adjustments described in Note 4:

Number of options outstanding	Number of options exercisable	Exercise price (CAD$)	Expiry date
122,500	122,500	0.20	September 24, 2021
525,000	525,000	0.20	September 25, 2024

As at October 31, 2020, Yukoterre has the following warrants outstanding after giving effect to the pro forma adjustments described in Note 4:

Number of warrants outstanding	Number of options exercisable	Exercise price (CAD$)	Expiry date
9,800,000	9,800,000	0.33	October 31, 2022
800,000	800,000	0.25	October 31, 2022
194,560	194,560	0.33	October 31, 2022

CERTIFICATE OF THE RESULTING ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Silo Wellness Inc. (formerly Yukoterre Resources Inc.), hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Silo Wellness Inc. (formerly Yukoterre Resources Inc.) It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario

this 3rd day of March 2021.

<signed> Douglas Gordon

Douglas Gordon, Chief Executive Officer

<signed> Ryan Ptolemy

Ryan Ptolemy, Chief Financial Officer

<signed> Fred Leigh

Fred Leigh, Director and Promoter

<signed> Maurice Colson

Maurice Colson, Director

<signed> Mike Arnold

Mike Arnold, Promoter

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to FlyOverture Equity, Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario

this 3rd day of March, 2021.

<signed> Douglas K. Gordon

Douglas K. Gordon, Chief Executive Officer

<signed> Mo Yang

Mo Yang, Chief Financial Officer

<signed> Mike Arnold

Mike Arnold, Director and Promoter

<signed> Tim Jury

Tim Jury, Director