Braxia Scientific Corp. (formerly, Champignon Brands Inc.)

Management Discussion & Analysis

Prepared by Management

(Expressed in Canadian Dollars)

For the year ended March 31, 2021 and from the period September 9, 2019 to March 31, 2020

Date: July 29, 2021

General

This Management's Discussion & Analysis ("MD&A") of Braxia Scientific Corp. (formerly, Champignon Brands Inc. ("Champignon")) or the "Company" has been prepared by management and should be read in conjunction with the audited consolidated financial statements ("Financial Statements") and accompanying notes for year ended March 31, 2021. The Financial Statements, together with the following MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 29, 2021.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at www.sedar.com or the Company's website https://braxiascientific.com/.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, statements we make regarding financing and corporate plans relating to the potential acquisitions are "forward-looking statements." 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 statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such risks and uncertainties include, among others, the Company's requirements for additional financing, and the effect of capital market conditions and other factors on capital availability, the Company's limited operating history and lack of historical profits; competition; dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing federal, provincial, state, municipal, local or other licenses; developments and changes in laws and regulations, including increased regulation of the Company's industries and the capital markets; economic and financial conditions; volatility in the capital markets; engaging in activities that could be later determined to be illegal under domestic or international laws; failure to obtain the necessary shareholder, government or regulatory approvals, including that of the CSE; failure to retain, secure and maintain key personnel and strategic partnerships including but not limited to executives, researchers, clinicians, customers and suppliers; These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements.

Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. Additional information identifying risks and uncertainties that could affect financial results is contained under the heading "Risk Factors" and otherwise Company's filings with Canadian securities regulators, which are available at www.sedar.com. 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 forward-looking statements. The Company has no obligation to update any forward-looking statement, even if new information becomes available.

Overview

Braxia Scientific Corp. (formerly, Champignon Brands Inc.) ("Braxia" or the "Company") was incorporated on March 26, 2019 under the laws of the province of British Columbia, Canada. The Company is engaged in the business of formulation and manufacturing of novel ketamine, ketamine derivatives and other psychedelics, and delivery platforms for nutraceutical and psychedelic medicine while being supported by its psychedelic medicine clinic platform. On April 29, 2021, the Company changed its name from Champignon Brands Inc. to Braxia Scientific Corp. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") (CSE:BRAX), United States OTC stock market (OTCQB:BRAXF) and on the Frankfurt Stock Exchange (FWB:496). The Company's primary office (head office and records office) is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4 .

Altmed Capital Corp. ("Altmed") was incorporated under the Canada Business Corporations Act on September 9, 2019. Altmed's registered office is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4. Altmed is in the start-up stage and is involved in the psychedelic industry.

On April 10, 2020 (and as completed on April 30, 2020), Champignon entered into an Amalgamation Agreement (the "Amalgamation Agreement") with Altmed. Pursuant to the Amalgamation Agreement, Champignon acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 Champignon common shares for every 1 Altmed share held) common shares in the capital of Champignon to the shareholders of Altmed (collectively, the "Transaction"). Champignon also issued a total of 2,100,000 replacement warrants to warrant holders of Altmed. Lastly, the Company issued 2,000,000 common shares as finders' shares (the "Finders' Shares") in connection with the Transaction. The Transaction constitutes a reverse acquisition ("RTO") of Champignon by Altmed, with Altmed being the acquirer for accounting purposes. Accordingly, these condensed interim consolidated financial statements (the "financial statements") are a continuation of Altmed, with the net assets (liabilities) of Champignon being consolidated from April 30, 2020, as well as Champignon's operating results from that date forward. The comparative figures are those of Altmed.

A significant shareholder and contracted consultant to Champignon was also a shareholder of Altmed and was issued 6,018,000 common shares of Champignon on the closing of the Transaction.

The Transaction resulted in the shareholders of Altmed obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constitutes a reverse takeover transaction ("RTO") of Champignon by Altmed and has been accounted for as an RTO. Champignon qualified as a business under the definitions of IFRS 3, and the Transaction was treated as an issuance of common shares by Altmed for the net assets (liabilities) of Champignon as well as Champignon's public listing, with Altmed as the continuing entity. Goodwill was recorded with respect to the Transaction, reflecting management's estimate of the fair value of Champignon's artisanal mushroom infused beverage business. The excess of consideration over the fair value of net assets acquired has been recorded as a listing expense, consistent with the guidance of IFRS 3.

For accounting purposes, Altmed is treated as the accounting parent company (legal subsidiary) and Champignon as the accounting subsidiary (legal parent) in this MD&A and the related financial statements. As Altmed was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. Champignon's results of operations have been included from April 30, 2020 onwards. The comparative figures are those of Altmed.

Overall Performance

On April 10, 2020 (and as amended and completed on April 29, 2020), Altmed entered into a Share Purchase Agreement (the "Share Purchase Agreement") with Canadian Rapid Treatment Center of Excellence Inc. ("CRTCE"), a ketamine clinic licensed by the College of Physicians and Surgeons in Ontario, Canada. Pursuant to the terms of the Share Purchase Agreement, Altmed paid $1,500,000 in cash consideration and issued a total of 10,455 common shares with an aggregate fair value of $5,227,500 ($500 per share).

Overall Performance (Continued)

On April 10, 2020 (and as completed on April 30, 2020), Champignon entered into an Amalgamation Agreement with Altmed, a private company incorporated on September 9, 2019 and involved in the psychedelics industry. Pursuant to the Amalgamation Agreement, Champignon acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 Champignon common shares for every 1 Altmed share held) common shares in the capital of Champignon to the shareholders of Altmed. Altmed is a Canadian ketamine clinic operator, psychedelic medicine IP aggregator and novel drug discoverer. Altmed's clinic, the Canadian Rapid Treatment Center of Excellence (the "CRTCE") is licensed by the College of Physicians and Surgeons Ontario (CPSO) under OHPP (out-of-hospital premise program) to administer ketamine treatments for indications, including, but not limited to, depression, bipolar disorder, post-traumatic stress disorder and obsessive-compulsive disorder (OCD).

On May 6, 2020, the Company appointed Mr. Pat McCutcheon to the Company's board of directors. Mr. McCutcheon is the CEO of MediPharm Labs Corp. (TSX: LABS). Mr. McCutcheon held senior roles with various large pharmaceutical companies, including Jansen Pharmaceuticals, Sanofi and Astra Zeneca – where he was directly responsible for launching a wide range of medical products. The Company also appointed Matthew Fish as President and Secretary. In his private practice as a securities lawyer, Mr. Fish has developed extensive experience with respect to public companies, capital markets, as well as mergers and acquisitions.

On May 10, 2020, the Company executed a term sheet (the "Term Sheet") with California, U.S. based Wellness Clinic of Orange County Inc. (the "Wellness Clinic"). The Wellness Clinic owns and operates a ketamine infusion treatment center located within the Mission Hospital's Laguna Beach campus. The Term Sheet was terminated on July 1, 2020.

On May 11, 2020, the Company appointed Dr. Roger McIntyre as the CEO. Dr. McIntyre is a Professor of Psychiatry and Pharmacology at the University of Toronto and head of the Mood Disorders Psychopharmacology unit at the University Health Network, Toronto, Canada. Gareth Birdsall resigned from his positions of CEO, President and Secretary in connections with the appointments of Mr. Fish and Dr. McIntyre.

On May 13, 2020, the Company entered into a letter agreement with Canaccord Genuity Corp. ("Canaccord Genuity") and Eight Capital ("Eight" and together with Canaccord Genuity, the "Co-Lead Underwriters"), to purchase, on a bought deal private placement basis (the "Bought Deal"), 17,647,500 units of the Company (the "Units") at a price of $0.85 per Unit (the "Issue Price") amounting to aggregate gross proceeds of $15,000,375 (the "Offering"). Each Unit was comprised of one common share of the Company (a "Common Share") and one half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one Common Share at a price of $1.15 per Warrant for a period of 24 months from the closing of the Offering. The Offering was conducted by a syndicate of underwriters (collectively, the "Underwriters") led by the Co-Lead Underwriters. The Company has agreed to pay the Underwriters a cash commission payable on the closing date of the Offering equal to 7.0% of the aggregate gross proceeds of the Offering and to issue the Underwriters warrants (the "Broker Warrants"), exercisable to acquire, within 24 months from the closing of the Offering, in the aggregate, that number of Units which is equal to 7.0% of the number of Units sold under the Offering. The Company also agreed to pay to the Underwriters a corporate finance fee consisted of $51,588 and 60,692 Broker Warrants.

On May 25, 2020, the Company appointed Dr. Bill Wilkerson, LL.D. (Hon) to the board of directors. Dr. Wilkerson was previously President of one of Canada's largest health benefits companies, Liberty Health, and held senior executive positions at the Royal Bank of Canada, CBC, and the Toronto Symphony Orchestra.

On May 29, 2020, certain shareholders of the Company agreed to a voluntary resale restriction period covering 17,840,000 common shares extending the period of time before the shares become free trading to July 15, 2020. These shares were previously only subject to a statutory hold period. The Company also announced that it has engaged Gold Standard Media, LLC ("GSM") to provide marketing and consulting services to raise public awareness of the Company, with a specific emphasis on the Company's North American clinical expansion. GSM is a limited liability company existing under the laws of the State of Texas with an office at 1102 S. Austin Ave, #110-283, Georgetown, Texas, USA.

On June 8, 2020, the Company announced it had selected Toronto-based Dalriada Drug Discovery Inc. ("Dalriada") to advance its new chemical entity ("NCE") IP portfolio as it pertains to ketamine and psilocybin/psilicin molecular scaffolds.

Overall Performance (Continued)

On June 11, 2020, the Company announced the closing of its previously announced "bought deal" private placement (the "Offering") of units of the Company ("Units") for aggregate gross proceeds of $15,000,375 which includes the full exercise of the option granted to the Underwriters (as defined below). A total of 17,647,500 Units were sold pursuant to the Offering at a price of $0.85 per Unit. Each Unit is comprised of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share (a "Warrant Share") at a price of $1.15 per Warrant Share until June 11, 2022. The Offering was completed by a syndicate of underwriters co-led by Canaccord Genuity Corp. and Eight Capital, and includes Gravitas Securities Inc. (collectively, the "Underwriters"). All securities issued pursuant to the Offering are subject to a statutory four month and one day hold period. The Company intends to use the net proceeds of the Offering for the Company's North American clinical expansion program as well as for general working capital purposes.

On June 12, 2020, the Company announced that since commencing trading on March 2, 2020 the Company has expanded its initiatives and rapidly executed on such initiatives to position the Company as a leading publicly traded psychedelic medicine company developing novel rapid onset treatments for depression, post-traumatic stress disorder ("PTSD"), and substance-use disorders ("SUD") via the clinical delivery of ketamine and ketamine-derivatives.

On June 19, 2020, the Company continued to highlight the scientific merit of its ketamine treatments for Major Depressive Disorder (MDD) while demonstrating rapid onset efficacy and safety of its treatment processes.

On June 22, 2020, Champignon announced it had been selected for a continuous disclosure review by the British Columbia Securities Commission (the "Commission"). The review related to the Champignon's disclosure obligations since it became a reporting issuer on February 6, 2020 and includes a review of the disclosure surrounding certain asset acquisitions completed by Champignon prior to the RTO. In connection with the review, the Commission issued a cease trade order suspending trading in the securities of Champignon, pending the filing of business acquisition reports by the Company in connection with the acquisitions.

On July 13, 2020, the Company announced corporate updates of the following; BCSC Continuous Disclosure Review, Corporate Rebranding & Spin Out, Wellness Clinic of Orange County Inc and AltMed Capital Corp.

On July 24, 2020, the Company announced it had filed business acquisition reports in connection with its previous acquisitions of Artisan Growers Ltd. ("Artisan Growers"), Novo Formulations Ltd. ("Novo") and Tassili Life Sciences Corp. ("Tassili") Copies of the reports are available for review under the Company's profile on SEDAR (www.sedar.com). The original cease trade order was subsequently revoked. Concurrently with the revocation of the original cease trade order, the Commission issued a replacement cease trade order, pending the filing of a revised material change report in connection with the RTO.

On August 27, 2020, the Company announced it was expanding its rapid-onset treatment service for major depressive disorder ("MDD"). The Company will offer esketamine for the treatment of adults with MDD at its Mississauga, Ontario clinic starting in September 2020. Ketamine was declared a breakthrough treatment for depression by the US Food and Drug Administration ("FDA"). In May 2020, Health Canada approved esketamine for the treatment of MDD.

On September 15, 2020, the Company announced that it continues to work with the Commission to address an ongoing continuous disclosure review.

On October 5, 2020, the Company elected Dr. Roger McIntyre as Chairman of the Board of Directors of the Company.

On October 29, 2020, the Company announced it continues to work diligently with the Commission to address the ongoing continuous disclosure review and to coordinate the revocation of the existing cease trade order. The Company will provide guidance on definitive timing for revocation as soon as possible.

Overall Performance (Continued)

On November 24, 2020, the Company provided an update on the Company's management and governance. The Company announced the following: the Company is actively recruiting a new Chief Financial Officer, Chief General Counsel, and Senior Vice President – Investor and Public Communications; The Company disclosed its intent to expand its board with additional outside directors to be drawn from the business and science communities; the Company accepted the resignation of Gareth Birdsall, director, effective November 23, 2020; and the Company re-designed its website to facilitate proper access to current information by investors and the wider public.

On December 8, 2020, the Company announced that Christopher Hobbs joined the Company as Interim Chief Financial Officer (CFO), effective December 8, 2020. Stephen Brohman, the Company's current contract CFO, resigned from the position, effective December 7, 2020.

On January 8, 2021, the Company announced the publication of an article written by a group led by its CEO, Dr. Roger McIntyre. The article – Bipolar Disorders – was published in one of the world's best-known and most reputable scientific journals in medicine - The Lancet.

On January 11, 2021, the Company announced the Company's appointment of Stephen R. Brooks as its new Chief Financial Officer and Peter Rizakos as the firm's new General Counsel.

On January 25, 2031, the Company announced that it opened its first community-based centre in Ottawa to provide Ketamine treatment for adults with depression.

On February 4, 2021, the Company announced the appointment of Olga Cwiek to its board of directors and the retirement from the board of directors of William (Bill) Wilkerson.

February 17, 2021, the Company announced that as a result of a review by the Commission, the Company has determined to withdraw and refile its condensed interim consolidated financial statements and management's discussion & analysis ("MD&A") for the three and six month periods ended March 31, 2020 (the "Original Financial Statements and MD&A").

March, 11, 2021, the Company announced that as a result of a review by the Commission , the Company has refiled its condensed interim consolidated financial statements and management's discussion & analysis ("MD&A") for the three and six month periods ended March 31, 2020 (the "Restated Financial Statements and MD&A").

March 26, 2021, the Company announced that it has filed a new Listing Statement with the Canadian Securities Exchange ("CSE") which contains disclosure regarding the acquisition of AltMed (the "Transaction"). The Transaction constituted a reverse takeover of Champignon by AltMed.

Subsequent Highlights

April, 22, 2021, the Company announced that the Commission and Ontario Securities Commission (the "Commissions") revoked their cease trade orders against the Company effective April 22, 2021. In addition, effective April 12, 2021, the Company received voluntary contributions of capital from existing shareholders, resulting in the cancellation of 9,780,000 Common Shares. The total number of Common Shares outstanding is consequently reduced from 177,290,212 to 167,510,212 Common Shares.

On May 3, 2021, the Company announced that it has changed its name from "Champignon Brands Inc." to "Braxia Scientific Corp." and its ticker symbol will change from "SHRM" to "BRAX" on the CSE. The name change reflects the Company's commitment to providing access to, and leadership in, setting the standard of care for ketamine treatment in depression through its network of clinics, as well as the Company's ketamine and psychedelic derivative research and drug development priorities. Braxia's overarching aim is to shape the future of treatment for people suffering from depression and other mental health disorders. The Company also announces that it has issued 250,000 common shares to settle the amount of $125,000 owed to an independent contractor providing research and development services to the Company.

Subsequent Highlights (Continued)

On May 5, 2021, the Company announced the rebranding of its network of research and treatment clinics to Braxia Health. The Company also provided an update on its plan to expand its research and treatment and clinic footprint to address significant opportunities in the North American multi-billion-dollar mental healthcare market. Additionally, Braxia Scientific commenced trading under its new ticker "CSE: BRAX".

On May 13, 2021, the Company announced information on its recently disclosed joint venture with the Neurotherapy Montreal Center ("NMC"), entered into to address Quebec's growing, unmet need for accessible, high-quality and advanced mental health services to patients diagnosed with depression, other mental health disorders and those at risk for suicide. This clinic began operations subsequent to the Company's March 31, 2021 year end.

On May 20, 2021, the Company announced the launch of the Braxia Institute ("Braxia Institute"), the Company's training Centre of Excellence focused on advancing psychiatric clinical practice and health services of ketamine and psychedelic treatment therapy for people with treatment resistant depression and other possible mental health disorders. Also, the Company announced that the Common Shares, previously listed for trading on the OTC Market in the United States under the symbol "SHRMF", are to commence trading on the OTC Market under the symbol "BRAXF" effective May 21, 2021. The Common Shares continued to trade on the Canadian Securities Exchange under the symbol "BRAX".

On May 28, 2021, the Company issued 9,750,000 options to purchase Common Shares in the Company at a price of $0.395 per share to certain members of management, the board and consultants providing services to the Company. The exercise price is the closing trading price of the Company's shares on the Canadian Securities Exchange on May 28, 2021. The options have a five-year term expiring on May 28, 2026. Subject to certain accelerating vesting provisions, one third of the options will vest immediately, one third will vest after 12 months, and remaining one-third will vest 18 months after the date of grant.

In April and May of 2021, 868,302 Common Shares were issued on the exercise of both warrants and options. Additionally, included in the 868,302 Common Shares issued were 250,000 Common Shares issued to an independent contractor pursuant to a $125,000 debt settlement.

On May 31, 2021, the Company announced it has appointed Dr. David Greenberg to its Board of Directors.

On June 9, 2021, the Company announced the American Journal of Psychiatry published the International Expert Opinion and Implementation Guidance (the "Guidelines") for the clinical use of rapid-acting Ketamine and Esketamine for treatment-resistant depression (TRD).

On June 16, 2021, the Company announced its participation at the upcoming Psychedelics in Psychiatry and Beyond Virtual Conference, hosted by H.C. Wainwright & Co. on June 17, 2021.

On June 17 2021, the Company announced that Chief Medical and Scientific Officer Dr. Joshua Rosenblat, will initiate a first-of-its-kind ketamine clinical trial to treat bipolar depression. The fully funded study represents the largest registered trial of its kind in the world, and will investigate the use, safety and efficacy of repeated doses of IV ketamine in patients with bipolar depression. This trial will enable Braxia-led research teams to further advance studies of IV ketamine to support its approval as a safe, effective and rapid-acting alternative treatment for patients with bipolar depression.

On July 26, 2021, Dr. McIntyre and Dr. Rosenblat became Principal and Co-Principal Investigators on a grant totalling $918,000 to evaluate the effectiveness of IV ketamine, in combination with internet-based cognitive behavioural therapy (iCBT), to rapidly reduce suicidality in persons with depression, when compared to iCBT alone.

Legal Contingencies

On April 23, 2021, Tassili Life Sciences Corp., a wholly-owned subsidiary of the Company was served with a lawsuit by the University of Miami alleging breach of contract and unjust enrichment under the laws of the state of Florida. The plaintiff is seeking damages in the amount of US$1,299,580, costs of the action plus other relief as appropriate. The likelihood of outcome of the case is not known at this time.

On May 3, 2021, the Company was served with a notice of civil claim in a proposed class proceeding in British Columbia against the Company, its CEO, certain of its former officers, a shareholder, and underwriters which were engaged in connection with a private placement financing for the Company in June 2020. The claim is based on allegations relating to the Company's disclosure documents regarding the value of four acquisitions made by the Company in 2020 and related matters. The plaintiff is seeking an unspecified monetary amount of damages for the proposed class. The Company intends to vigorously defend the claim. The likelihood of outcome of the case or any monetary considerations is not known at this time.

Braxia is aware that a class action complaint alleging violation of Federal U.S. securities laws has been filed in the United States. To date, Braxia has not yet been served with a copy of the complaint. Braxia will take appropriate steps if and when it is served.

Champignon Acquisition of Altmed

On April 10, 2020 (and as completed on April 30, 2020), Champignon entered into an Amalgamation Agreement with Altmed, a private company incorporated on September 9, 2019. Pursuant to the Amalgamation Agreement, Champignon acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 Champignon common shares for every 1 Altmed share held) common shares in the capital of Champignon to the shareholders of Altmed. AltMed is a Canadian ketamine clinic operator, psychedelic medicine IP aggregator and novel drug discoverer. Altmed's clinic, CRTCE is licensed by the College of Physicians and Surgeons Ontario (CPSO) under OHPP (out-of-hospital premise program) to administer ketamine treatments for indications, including, but not limited to, depression, bipolar disorder, post-traumatic stress disorder and obsessive-compulsive disorder (OCD).

The Transaction resulted in the shareholders of Altmed obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constitutes an RTO of Champignon by Altmed and has been accounted for as an RTO. Champignon qualified as a business under the definitions of IFRS 3, and the Transaction was treated as an issuance of common shares by Altmed for the net assets (liabilities) of Champignon as well as Champignon's public listing, with Altmed as the continuing entity. Goodwill was recorded with respect to the Transaction, reflecting management's estimate of the fair value of Champignon's artisanal mushroom infused beverage business. The excess of consideration over the fair value of net assets acquired has been recorded as a listing expense, consistent with the guidance of IFRS 3.

For accounting purposes, Altmed is treated as the accounting parent company (legal subsidiary) and Champignon as the accounting subsidiary (legal parent) in these financial statements. As Altmed was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. Champignon's results of operations have been included from April 30, 2020 onwards.

The Company has assessed the fair value of the net assets acquired. The table below summarizes the finalized fair value of the assets acquired and the liabilities assumed at the effective acquisition date:

Champignon Acquisition of Altmed (Continued)

Net assets of Champignon Brands Inc. acquired:	April 30, 2020 $
Cash	182,535
Receivables	207,922
Inventory	107,891
Prepaid expenses	839,154
Equipment	6,853
Intangible assets – website	108,929
Accounts payable and accrued liabilities	(465,619)
Lease liability	(7,541)
Net assets acquired	980,124
Consideration paid on RTO:	$
Common shares (fair value of 81,299,030 common shares $0.85 per share)	69,104,176
Options and warrants assumed at RTO	8,229,831
Finder's common shares (fair value of 2,000,000 common shares at $0.85 per share)	1,700,000
Total consideration paid	79,034,007
Goodwill	260,000
Allocation of excess consideration over the fair value of net assets acquired:	
Listing expense	77,793,883

The Transaction was measured at the fair value of the shares options and warrants that Altmed would have had to issue to the shareholders of Champignon, to give the shareholders of Champignon the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Altmed acquiring Champignon.

A shareholder and contracted consultant to Champignon was also a shareholder of Altmed and was issued 6,018,000 common shares of Champignon on the closing of the RTO.

37,837 shares of Altmed were acquired by Champignon as part of the RTO.

Rationale for Acquisition

Motivated by the rising interest in the use of psychedelic medicines to treat a range of mental health issues, the Company saw Altmed as a transformative acquisition. The acquisition enabled the Company to obtain access to Altmed management expertise, clinical operations and psychedelic IP research and development. Dr. Roger McIntyre, a key executive and founder of Altmed is widely regarded as one of the world's most recognized psychiatrists in relation to mood disorders. He became the CEO of the Company and key shareholder of the Company as a result of the acquisition and related transactions. The acquisition helps accelerate the Company's expanding business strategy to provide treatment protocols to address a range of mental health disorders with an emphasis on psychedelic medicines (also see Altmed Acquisition of CRTCE below).

The Company's access to capital, strong capital markets presence and recent acquisitions related to research and development of psychedelics medicines provides Altmed an opportunity to accelerate its business plan to open new clinics and fund research and development of psychedelic medicines.

The terms of the acquisition were negotiated between the Company and Altmed based on estimated relative values of the companies and taking into consideration market conditions. At the time of negotiations, the interest in the psychedelic medicines sector had increased significantly. From the date the Company entered into the negotiations with Altmed to the closing date, April 30, 2020 the Company's share price on the CSE increased from $0.41 to $0.89. Since the acquisition was an all share transaction, this resulted in a more than doubling of the value of the shares to be issued to the Altmed shareholders on the closing of the transaction.

Altmed Acquisition of CRTCE

On April 10, 2020 (and as amended and completed on April 29, 2020), Altmed entered into a Share Purchase Agreement (the "Share Purchase Agreement") with CRTCE, a ketamine clinic licensed by the College of Physicians and Surgeons in Ontario, under OHPP (out-of-hospital premises program) to administer ketamine treatments for indications, including, but not limited to, depression, bipolar disorder, post-traumatic stress disorder and obsessive-compulsive disorder (OCD). Pursuant to the terms of the Share Purchase Agreement, Altmed paid $1,500,000 in cash consideration and issued a total of 10,455 common shares with an aggregate fair value of $5,227,500 ($500 per share). This acquisition has been accounted for as a business combination as CRTCE met the definition of a business under IFRS 3, *Business Combinations* ("IFRS 3").

In accordance with IFRS 3, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

The table below summarizes the final fair value of the assets acquired and the liabilities assumed at the effective acquisition date:

Net assets of CRTCE acquired:	April 29, 2020 $
Cash	33,076
Receivables	507
Right-of-use asset	21,194
Intangible asset – license	1,156,000
Equipment	20,911
Accounts payable and accrued liabilities	(84,903)
Lease liability	(21,666)
Deferred tax liability	(285,356)
Net assets acquired	839,763

Consideration paid on business combination:	$
Common shares (fair value of 10,455 common shares $500 per share)	5,227,500
Cash consideration	1,500,000
Total consideration paid	6,727,500
Allocation of excess consideration over the fair value of net assets acquired:	
Goodwill	5,887,737

The Company determined that CRTCE's business objectives were synergistic with the Company's business plans and objectives. Goodwill consists of an assembled workforce, cost synergies and future economic potential of CRTCE.

Rationale for Acquisition

CRTCE's management expertise, clinic operations and psychedelic IP research and development will help accelerate the Company's expanding business strategy to provide treatment protocols to address a range of disorders and deficiencies with an emphasis on psychedelic medicine. CRTCE's chief executive officer, Dr. McIntyre is widely regarded as one of the world's most recognized psychiatrists in relation to mood disorders. He has extensive experience collaborating with private-sector partners, including but not limited to entities within the pharmaceutical industry, the insurance industry and the health care industry in Canada, the United States and globally. In addition to being the chief executive officer of CRTCE, Dr. McIntyre is is a Professor of Psychiatry and Pharmacology at the University of Toronto and Head of the Mood Disorders Psychopharmacology Unit at the University Health Network, Toronto, Canada. Dr. McIntyre is also Executive Director of the Brain and Cognition Discovery Foundation in Toronto; Director and Chair of the Scientific Advisory Board of the Depression and Bipolar Support Alliance (DBSA) in Chicago, Illinois; Professor and Nanshan scholar at Guangzhou Medical University; and Adjunct Professor at the College of Medicine at Korea University. Furthermore, Dr. McIntyre is a Clinical Professor at the State University of New York (SUNY) Upstate Medical University, Syracuse, New York, and a Clinical Professor, Department of Psychiatry and Neurosciences, at the University of California Riverside School of Medicine.

The consideration paid on the acquisition of CRTCE was negotiated at arm's length between Altmed and the shareholders of CRTCE (Dr. McIntyre was the majority shareholder of CRTCE). None of the shareholders of CRTCE were related parties to Altmed.

Selected Annual Information

	March 31, 2021 $	Period September 9, 2019 to March 31, 2020 $
Revenues	1,008,372	-
Cost of goods sold	(862,706)	-
Operating expenses	10,687,214	1,925,157
Net loss	(88,828,146)	(1,925,157)
Basic and diluted loss per share	(0.56)	(124)

	March 31, 2021 $	March 31, 2020 $
Cash	11,101,005	3,051,566
Total assets	18,490,005	3,063,693
Total current liabilities	2,551,853	79,042
Total long-term debt	48,616	nil
Dividends	nil	nil

During the year ended March 31, 2021, the Company acquired CRTCE, resulting in an overall increase in revenues of $1,008,372 compared to the period ended March 31, 2020.

During the year ended March 31, 2021, the Company completed an RTO and recorded a non-cash listing expense of $77,793,883, which significantly contributed to the overall increase in net loss, year over year.

Total assets increased due to a completion of various private placements, resulting in the overall increase in cash, year over year. In addition, the resulting assets from the RTO and acquisition of CRTCE contributed to the increase in total assets.

Results of Operations - Revenue

The Company recorded revenues of $1,008,372 and a gross margin of $145,666 for the year ended March 31, 2021. The Company recorded revenues of $246,673 and a gross margin of $60,028 for the three-month period ended March 31, 2021. The gross margin percentage approximates 14.4% and 24.3% for the year and three months ended March 31, 2021, respectively. Revenues consists primarily of revenue from the providing of ketamine infusion treatments at the CRTCE clinics.

The Company derives most of its revenue from providing ketamine infusion treatments to patients. Initial treatments consist of four separate treatments over a two-week period. Revenues are recognized when each treatment is completed and payment is received or receivable upon rendering of treatments, provided that the amount to be received can be reasonably estimated and collection is reasonably assured. Payments received prior to patients receiving treatments is recorded as deferred revenue.

Cost of sales is primarily composed of the costs to provide the ketamine infusion treatments. These costs include the cost of medical supplies and fees paid to medical professionals for administering the ketamine infusion treatment.

The Company was incorporated on September 9, 2019 and as of March 31, 2020 had no revenues incurred.

Results of Operations - Expenses

The Company incurred loss and comprehensive loss of $88,828,146 during the year ended March 31, 2021 and $2,594,726 during the three months ended March 31, 2021.

The main factors that contributed to the loss in the three-month period were advertising and promotion fees of $623,914, consulting fees of $153,797, office fees of $195,919, research and development of $426,981 and website development fees of $60,879.

The main factors that contributed to the loss in the year were listing expense of $77,793,883, advertising and promotion fees of $1,847,510, consulting fees of $1,378,608, office fees of $496,978, research and development of $1,978,850 and share based compensation of $2,874,857.

Results of Operations – Expenses (Continued)

Professional fees consist of bookkeeping, financial reporting, audit and accounting and legal fees in connection with the cease trade order and subsequent business activities.

Advertising and promotion expenses relate primarily to marketing campaigns to raise awareness and branding of the Company as it entered the psychedelic medicine sector. The marketing programs were deemed necessary by the Company to assist in the raising of capital. More specifically, marketing costs incurred included; digital marketing and data analytical services, creation of sponsored company articles, search engine optimization, news distribution, podcasts, video production, content creation and graphics creation.

The Company engaged an array of consultants and paid various fees in connection with the operation of its business and with respect to the disclosed acquisitions. Consulting fees consist of fees paid for general management support, project management, executive assistances, capital markets advisory services, scientific advisory services, foreign listing consultants, psychedelic industry experts, as the Company engages an array of consultants and various fees in connection with the acquisitions, respectively. The Company relies heavily on consultants to help it achieve its goals on all facets of business and these consultants bring a wide range of expertise and connections to the Company. Consultants include management, advisors, technical support and other support roles.

Office and miscellaneous consists of corporate service fees and office supplies.

Research and development related to costs incurred by the Company in developing new drug formulations, and the manufacturing of novel ketamine, anaesthetics and delivery platforms for nutraceutical and psychedelic medicine. During the year ended March 31, 2021 research and development expenditures of $1,250,866 related to the Collaborative Research Agreement with the University of Miami incurred by the Company's wholly owned subsidiary Tassili. The Collaborative Research Agreement includes pre-clinical trials funded by Tassili being completed by the University of Miami to assess how the combination of psilocybin and CBD may mitigate the adverse effects of PTSD and traumatic brain injuries with PTSD. In addition, the Company incurred $252,764 for supplies and consulting fees related to product development and $48,239 in consulting fees for research analysis at the CRTCE clinic.

Share based compensation relates to stock options and acquisitions through share-based transactions. During the year ended March 31, 2021, the Company issued 3,900,000 stock options with a weighted average price of $1.02 with an average expiry of 0.92 year.

Listing expenses solely relates to the reverse acquisition (RTO) of Champignon by Altmed. See Champignon Acquisition of Altmed above.

The Company was incorporated on September 9, 2019 and as of March 31, 2020 had minimal expenses incurred.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed quarters. This information is derived from audited financial statements prepared by management and unaudited interim condensed consolidated financial statements. The information is reported in accordance with IFRS and expressed in Canadian Dollars unless otherwise stated.

	2021				2020
	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
	$	$	$	$	$
Revenue	346,989	286,841	249,049	125,493	-
Total assets	18,490,005	20,095,741	21,073,101	22,488,095	3,063,693
Total liabilities	2,600,468	1,673,109	1,113,022	633,562	79,042
Net loss	(2,594,726)	(1,541,946)	(2,052,580)	(82,638,894)	(1,925,157)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.59)	(124.05)

Summary of Quarterly Results (Continued)

The Company was incorporated on September 9, 2019 and has a March 31 year-end, therefore there are no comparative period numbers prior to this date.

The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the level of activities being undertaken at any time and the availability of funding from investors or collaboration partners.

During year ended March 31, 2021, the Company completed its reverse acquisition of Altmed and acquired assets and liabilities of $1,453,284 and $473,160, respectively. In relation to the acquisition, the Company incurred $77,793,883 in listing expenses which were fully expensed during the period.

During the year ended March 31, 2021, the Company completed the acquisition of CRTCE and acquired assets and liabilities of $1,231,688 and $391,925, respectively. In relation to the acquisition, the Company recognized a goodwill of $5,887,737 in the consolidated statement of financial position at March 31, 2021.

Liquidity and Capital Resources

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company has financed its operations to date through the issuance of common shares.

	March 31, 2021 $	March 31, 2020 $
Working capital	8,844,047	2,984,651
Current liabilities	2,551,852	79,042
Long term liabilities	48,616	-
Accumulated deficit	90,753,303	1,925,157

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's future revenues, if any, are expected to be from the licensing of the Company's intellectual property. The economics of developing and realizing licensing revenues are affected by many factors including the cost of operations, regulatory approval, and results of clinical studies. There is no guarantee that the Company will be able to license its intellectual property.

Liquidity and Capital Resources – Cash Flow

Operating Activities:

During the year ended March 31, 2021, $5,056,130 (2020 – $31,116) cash was used in operating activities. This consisted primarily of cash paid for advertising and promotion, consulting fees, professional fees, research and development and office and miscellaneous expenses.

Financing Activities:

During the year ended March 31, 2021, the Company raised net proceeds of $13,920,259 from private placements. The Company received proceeds of $145,909 from warrant exercises, $33,000 from stock options exercises, $275,000 from share subscriptions received and $60,000 from the Canada Emergency Business Account ("CEBA") program.

Investing Activities:

During the year ended March 31, 2021, Altmed paid cash of $1,500,000 on the acquisition of CRTCE and acquired cash of $33,076 and $182,535 through the acquisitions of CRTCE and Champignon, respectively.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the interim consolidated financial statements for the year ended March 31, 2021.

Related Party Transactions

The Directors and Executive Officers of the Company are as follows:

Dr. Roger McIntyre, CEO and Director (CEO since May 11, 2020, appointed a director July 22, 2020)
Matthew Fish, President, Secretary and Director (ceased being an officer and director May 14, 2021)
Stephen Brohman, CFO and Director (ceased being an officer and director December 7, 2020)
Christopher Hobbs, interim CFO (ceased being an officer January 18, 2021)
Stephen R. Brooks, CFO (appointed CFO January 18, 2021)
Peter Rizakos General Counsel (appointed January 18, 2021)
Gareth Birdsall, CEO and Director (ceased being CEO May 11, 2020 and ceased being a director on November 23, 2020)
Jerry Habuda, Director
Dr. Bill Wilkerson, Director (appointed a director May 22, 2020 and ceased being a director February 4, 2021)
Pat McCutcheon, Former Director (appointed a director May 6, 2020 and ceased being a director July 22, 2020)
Joseph Perino, Former Director (ceased being a director May 22, 2020)
Olga Cwiek, Director (appointed a director February 4, 2021)
Dr. David Greenberg (appointed a director May 14, 2021)
Kevin Kratiuk, key management of CRTCE

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	For the year ended March 31,	
	2021	2020
Consulting fees	$ 482,854	$ -
Salaries	237,468	-
Professional fees	304,525	-
Rent	18,645	-
Products purchased from a pharmacy owned by the Vice President of Operations of the Company's subsidiary	132,555	-
Total	$ 1,176,047	$ -

The fair value of 3,750,000 stock options granted to an Officer of the Company during the year ended March 31, 2021 totaled $2,742,595.

For the year ended March 31, 2021, $109,327 was owed to related parties of the Company which is included in accounts payable and accrued liabilities. Amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

Related Party Transactions (Continued)

In addition, the Company has identified Lucas Birdsall, a significant shareholder and contracted consultant to Champignon (the "Consultant") as a related party as the Consultant exerted significant influence over the Company. The Company incurred the following transactions with the Consultant during the year ended March 31, 2021:

On April 30, 2020, the Company issued 75,674,000 common shares to acquire 100% of Altmed. The Consultant was a shareholder of Altmed and was issued 6,018,000 common shares with a fair value of $5,356,020 on the closing of the transaction between the Company and Altmed. The transaction was entered into at market terms using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.

- The Consultant was also paid $60,000 for consulting services during the year ended March 31, 2021.

Champignon incurred the following transactions with the Consultant during the period ended March 31, 2020:

- On March 20, 2020, Champignon issued 8,000,000 common shares with a fair value of $2,320,000 and acquired 100% of Artisan Growers. The Consultant was a shareholder of Artisan Growers and in exchange for his shares in Artisan Growers was issued 1,280,000 common shares with a fair value of $371,200 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- On March 25, 2020, Champignon issued 12,500,000 common shares with a fair value of $4,375,000 and acquired 100% of Novo. The Consultant was a shareholder of Novo and in exchange for his shares in Novo was issued 1,500,000 common shares with a fair value of $525,000 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- On March 26, 2020, Champignon issued 16,000,001 common shares with a fair value of $5,840,000 and acquired 100% of Tassili. The Consultant was a shareholder of Tassili and in exchange for his shares in Tassili was issued 3,000,000 common shares with a fair value of $1,095,000 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- The Consultant was paid $20,000 for consulting services.
- The Consultant was granted 1,400,000 stock options with a fair value of $268,121.

On November 17, 2020, the Company terminated the consulting agreement with the Consultant.

Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and

liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data. Cash and cash equivalents are classified as Level 1.

Level 2 – Observable inputs other than quoted prices, included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

The fair value of cash is measured using Level 1 inputs. The carrying value of accounts payable approximates its respective fair values due to their short-term term to maturity or guaranteed cash value at maturity.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Financial Instruments (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

The Company has minimal credit risk exposure in respect of receivables, as they primarily consist of refundable credits are due from Canadian Government.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of March 31, 2021, the Company had current assets of $11,395,899 to cover short term obligations of $2,551,853.

Historically, the Company's sole source of funding has been through share and unit offerings. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2021, the Company did not have any financial instruments subject to interest rate risk (variable or fixed).

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

New Significant Accounting Policies

IFRS 16 Leases

IFRS 16, Leases: This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 16. Champignon acquired, through the acquisition of Artisan Growers Ltd., a cultivation facility lease expiring on August 1, 2020, subject to certain renewal term. The lease is reflected on the balance sheet as a right-of-use asset, with an associated lease liability.

Other MD&A Disclosure Requirements

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding Share Data

As at March 31, 2021 and the date of this document, the Company had the following number of securities outstanding:

- 168,378,514 common shares issued and outstanding;
- 18,000,000 options outstanding; and
- 15,237,564 warrants outstanding.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosures concerning the Company's expenses are provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its consolidated financial statements for the year ended March 31, 2021. These statements are available on its SEDAR Page. Site accessed through www.sedar.com.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful and develop its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Limited Operating History

The Company has no consumer products producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from its products in the future. The Company has not earned profits to date from CPG sales and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve profitable sales from the Company's existing and future products. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Development of New Products and Services

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products and services. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products and services or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. As at the date of this MD&A, the CRTCE facility is still operational but at a reduced capacity as a result of the COVID-19 outbreak and there is no assurance as to when it will be able to operate at full capacity, our retail distribution expansion initiatives have been postponed indefinitely. Such public health crises can result in volatility and disruptions in the supply and demand for health and wellness products, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Failure to Meet Business Objectives

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, or statements, whether because of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of common shares.

Distribution/Supply Chain Interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution is largely accomplished through independent contractors, therefore, an interruption (e.g., a labour strike) for any length of time affecting such independent contractors may have a significant impact on the Company's ability to sell its products. Supply chain interruptions, including a production or inventory disruption, could impact product quality and availability. Inherent to producing products is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. The Company monitors category trends and regularly reviews maturing inventory levels.
In addition, the Company is subject to supply chain risks relating to the necessary equipment, pharmaceuticals and supplies necessary to provide treatments. If there is a shortage in any of these items, the Company may not be able to treat patients and recover the necessary funds.

Dependence on Management Team

The Company will depend on certain key senior managers who oversee the Company's core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Reporting Issuer Status

As a reporting issuer, the Company is subject to reporting requirements under applicable Securities Laws and stock exchange policies. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations.

Product Liability Insurance

The Company currently does not carry any product liability insurance coverage. Even though the Company is not aware of any product liability claims currently, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition, and results of operations.

Although the Company intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses more than any product liability coverage that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Trademark Protection

The Company currently has no obtained any registered trademarks. Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labelling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further common shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the common shares may go down as well as up and the share price may be subject to sudden and large falls in value given the restricted marketability of the common shares.

General Healthcare Regulation

Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, and results of operations of these business units. In addition, the Company could incur significant costs while complying with any changes in the regulatory regime. Noncompliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations, or financial performance of the Company

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the common shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the common shares distributed hereunder will be affected by such volatility.

Conflicts of Interest

The Company's Directors and officers may act as directors and/or officers of other health and wellness companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Psychedelic Regulatory Risk

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in the Company's business until these services are replaced. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in our business and result in lower revenues. As we expand our operations, we may encounter difficulty in securing the necessary professional medical and skilled support staff to support our expanding operations. There is currently a shortage of certain medical physicians in Canada and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Commercialization

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced pre-clinical trials we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Unsatisfactory results relating to a research and development program may cause us or our collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and we can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

We can make no assurance that any future studies, if undertaken, will yield favourable results. Many companies in the biotechnology industry have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical, and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our programs, the development timeline and regulatory approval and commercialization prospects for our leading product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

Clinical Trial Failure Risk

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict results. Several companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Research Delays

We cannot predict whether any clinical trials will begin as planned or will be completed on schedule, or at all. Significant clinical trial delays could allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to: failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold; patients failing to enroll or remain in our trials at the rate we expect; product candidates demonstrating a lack of safety or efficacy during clinical trials; patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials; patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons; reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns; competing clinical trials and scheduling conflicts with participating clinicians; clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner; inspections of clinical trial sites by regulatory bodies or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study; one or more regulatory bodies or ethics committees rejecting, suspending, or terminating the study at an investigational site, precluding enrolment of additional subjects, or withdrawing its approval of the trial; or failure to reach agreement on acceptable terms with prospective clinical trial sites.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Regulatory Approval Risks

The development and commercialization activities and product candidates are significantly regulated by several governmental entities, including the FDA, Health Canada, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We 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 we can commercialize a product candidate. 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. Even if we believe results from our clinical trials are favourable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

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 negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

Risks Related to Intellectual Property

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.