Braxia Scientific Corp.

Management Discussion & Analysis

Prepared by Management

(Expressed in Canadian Dollars)

For the three months ended June 30, 2022 and 2021

Date: August 29, 2022

General

This Management's Discussion & Analysis ("MD&A") of Braxia Scientific Corp. 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 the year ended March 31, 2022 and the interim condensed financial statements as at and for the three months ended June 30, 2022. 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 August 29, 2022

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. ("Braxia" or the "Company") was incorporated on March 26, 2019 under the laws of the province of British Columbia, Canada. Braxia is primarily focused on (i) owning and operating multidisciplinary clinics, providing treatment for mental health disorders, and (ii) research activities related to discovering and commercializing novel drugs and delivery methods. Braxia seeks to develop ketamine and derivatives and other psychedelic products from its IP development platform. On April 29, 2021, the Company changed its name from Champignon Brands Inc. ("Champignon") 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:4960). The Company's primary office (head office and records office) is located at 700 Bay Street, Suite 1903, Toronto, Ontario, M5G 1Z6.

The consolidated results of the Company include the accounts of Braxia Scientific Corp., and its wholly-owned subsidiaries Altmed Capital Corp., Artisan Growers Ltd., Novo Formulations Ltd., Tassili Life Sciences Corp. and Canadian Rapid Treatment Centre of Excellence Inc. and its 50% joint venture interest in Canadian Rapid Treatment Centre of Excellence (Quebec) Inc.

The Company has clinic operations in the Canadian cities of Mississauga, Toronto, Ottawa and Montreal. The Montreal clinic is a joint venture arrangement whereby the Company has a 50% interest in the joint venture, Canadian Rapid Treatment Centre (Quebec) Inc. As such, the Company accounts for its interest in the joint venture using the equity method whereby 50% of the net income or loss of the joint venture is recorded in the accounts of the Company. The Montreal joint venture began operations in early April 2021. The Company continues to look to expand its clinic footprint in North America and beyond.

Research and Development

Clinical Research Initiatives

The Company's research and development team continued to execute on several clinical research initiatives during the period, achieving several key milestones, including:

- The Company's key management received funding for two Canadian federal government grants for two large multi-site randomized controlled trials (RCTs) and one provincial grant for an open-label extension trial.
- The Company's key management published international ketamine guidelines and numerous peer-reviewed papers, many reporting original results and insights from CRTCE data.
- Received approval for three funded clinical trials through Braxia network of clinics analyzing the use of ketamine to treat bipolar depression, analyzing the use of ketamine to rapidly reduce suicidality as well as a trial to analyze the effectiveness of psilocybin to combat treatment-resistant depression.
- Reviewing development potential of novel ketamine formulations.

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 17, 2021, the Company announced that Dr. Josh Rosenblat, the Company's Chief Medical and Science Officer, had been awarded and received funding by the Canadian Institute of Health Research (CIHR) of the Government of Canada, to support the first of its kind ketamine clinical trial for bipolar depression.

On July 26, 2021, the Company announced that Dr. Roger McIntyre, CEO and Dr. Josh Rosenblat, Chief Medical and Science Officer, were awarded $918,000 by the Government of Canada to study the benefits of integrating ketamine with cognitive behavioural therapy to reduce suicidality.

On August 27, 2021, the Company announced that Braxia's clinical research and development team was to commence a randomized clinical trial using psilocybin. The study is expected to demonstrate that the Company can effectively provide psilocybin-assisted therapy. The study is expected to enable the Company to build the infrastructure for future studies and future clinical care, while also compiling efficacy and safety data and providing the opportunity to evaluate the therapist training program launched at the end of June 2021. This program run by the Braxia Institute, the Company's training centre, has

cultivated a multi-disciplinary group of 30 therapists from diverse psychiatry and psychotherapy backgrounds to implement safe and effective psilocybin-assisted therapy for patients with depression. This study was the latest step in the Company's strategy to develop the next generation of novel psychedelic treatments and delivery systems through its network of clinics.
The Company completed accelerated stability tests of intranasal ketamine and topical ketamine formulations. Accelerated stability tests were conducted in accordance with the International Conference on the Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH-GCP). The test results support the shelf life of the Company's intranasal ketamine and topical ketamine formulations at room temperature. The positive data will be used to support provisional patents.

On September 30, 2021, the Company reported encouraging preliminary findings of a clinical study, carried out at CRTCE, that suggests ketamine may be as effective as a standalone antidepressant, versus as an adjunctive therapy. The study showed comparable clinical benefits (e.g., antidepressant effects and reduction in suicidal thoughts) in a large sample of 220 patients with treatment-resistant depression (TRD) who received intravenous (IV) ketamine infusions as a monotherapy, as compared with those receiving IV ketamine in addition to oral antidepressants.

On November 2, 2021, the Company completed its initial phase of the training program for psilocybin-assisted clinical therapy by its first multi-disciplinary cohort qualified therapists from diverse psychiatry and psychotherapy backgrounds. The Company has since continued is training program for two cohorts of participants. This program was implemented by the Braxia Institute, the Company's training centre focused on advancing psychiatric clinical practice and health services of ketamine and psychedelic treatment therapy. Through this program, the Company is able to develop, train, and support qualified, independent medical physicians, psychologists and psychotherapists skilled in best practices to implement safe and effective psilocybin-assisted therapy for patients with depression.

Trainees experienced and learned, through pre-readings, didactic teaching, peer teaching, group discussion and simulations, which provided important background on the use of psilocybin for treating depression and practical considerations for providing psilocybin-assisted psychotherapy. All the enrolled therapists were also required to complete a practicum component (ongoing with first cohort to complete supervised case requirements by September 2022), in which medical professionals gained experience in administering psilocybin-assisted therapy for participants with depression as part of an upcoming Health Canada-approved clinical trial.

Participants in the Braxia Institute training program came from diverse therapy backgrounds, allowing them to leverage their various areas of expertise to cocreate guidelines and best practices.

Through this program, the therapists would become fully competent to perform psilocybin-assisted therapy in current and upcoming clinical trials conducted by Braxia and its subsidiaries, evaluating the safety and efficacy of psilocybin in depression. The Company anticipates that, pending regulatory approval of psilocybin, therapists would also be trained to implement psychedelics in clinical practice.

On December 14, 2021, the Company achieved a new milestone commencing the first Health Canada approved multiple-dose psilocybin clinical trial. First patients were dosed in November 2021. The trial, sponsored by the Brain and Cognition Discovery Foundation, is being conducted at the Canadian Rapid Treatment Center of Excellence Inc. (CRTCE), a wholly owned Braxia subsidiary. The study includes adults with treatment-resistant depression (TRD) as part of bipolar or unipolar disorder, who have not benefited from multiple conventional treatments. This study is the only Health-Canada approved psilocybin trial in Canada that is actively recruiting participants at the start of the trial.

The trial marked two important milestones for the Company. First, this trial established the Company's proprietary framework and positions Braxia's clinical platform among the leading groups that endeavour to research and develop new psychedelic treatments for TRD. Second, the Company's proprietary data from this landmark trial will enable the Company to continue work developing potential new chemical entities (NCE's) in the future, while providing patients with TRD immediate access to new treatment.

Building on management's extensive clinical and research expertise, the Company expanded infrastructure needed to provide novel interventions that include ketamine, psilocybin and other potential future psychedelics that become available. More specifically, the Company has:

- Established access to a high-quality source of psilocybin that meets all regulatory requirements for human use in clinical research
- Received more than 150 referrals for psilocybin-assisted therapy for treatment resistant depression in the first six weeks of opening recruitment
- Received Health Canada and Research Ethics approval for protocols to collect treatment outcome data to allow for further optimization of psilocybin treatment protocols and development of best practice guidelines
- Trained medical and research staff as part of Braxia Institute to provide psilocybin-assisted therapy with high quality safety monitoring. This program included twenty (20) therapists licensed to practice in Ontario with specialized training in psilocybin-assisted therapy. All therapists were trained by the Braxia Institute and served as study therapists for the active psilocybin clinical trial
- Developed physical space to safely provide psilocybin treatment with a comfortable living room-like environment with appropriate medical and psychological monitoring and protocols

This infrastructure enables Braxia to provide psilocybin-assisted therapy, as part of its current clinical trial, and importantly, if psilocybin is approved in the future for use outside of clinical trials, Braxia is positioned to immediately provide access to psilocybin-assisted therapy treatment for eligible patients.

The trial also provides Braxia a chance to evaluate the psilocybin-assisted therapy training program launched earlier in 2021. Upon completion of the psilocybin study, Braxia's training program is set to graduate its first cohort of medical professionals, a multidisciplinary group of therapists from diverse psychiatry and psychotherapy backgrounds.

These clinical research initiatives present multiple opportunities for future revenue generation. It is anticipated that no near-term revenue will be generated from these clinical research initiatives.

Drug Development Initiatives

Drug development, including the acquisition of the rights, including potential licensing, to new chemical entities for the treatment of brain-based disorders, remains a key strategic priority for the Company.

The Company has prioritized the development or acquisition of derivatives of ketamine and psilocybin. The Company completed initial work on proprietary intranasal ketamine and topical ketamine formulations developed by the Company. Initial work completed included accelerated stability tests of intranasal ketamine and topical ketamine formulations. The related test results support the shelf life of the Company's intranasal ketamine and topical ketamine formulations at room temperature. The Company believes that positive data will be used to support provisional patents.

Future drug development initiatives are overseen by the Company's recently hired Vice President, Research & Development and Growth (see discussion below).

Clinic Expansion and General Update

Clinic Expansion

Braxia Health, through its Canadian clinics, continued to see increased volume performance partially reflecting increased treatments from its newest clinic in Montreal, which ramped up operations since first opening in April 2021. The Company also opened its fifth clinic in Ontario, Canada in June 2022.

Other key accomplishments in clinical operations included:

- Addition of psychiatrists, nurses, family doctors and an anaesthesiologist.
- Optimized clinical intake processes with new software, allowing doctors to see more patients and provide better care in less time.
- Establishing direct billing practices with a major Canadian health insurer.

- Increased marketing initiatives and engagement with psychiatrists across Ontario about Braxia Health clinics and offerings.
- Commenced construction on two new clinics expected to open before the end of 2022.

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.

On May 13, 2021, the Company announced its expansion into Canada's second largest mental health market with 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 early in April 2021.

On May 20, 2021, the Company announced the launch of the 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.

General Corporate Update

On June 15, 2022, the Company announced the opening of its newest Braxia Health clinic in the Kitchener-Waterloo area in Ontario. The Kitchener-Waterloo location is the fifth Braxia Health Clinic in Canada.

Braxia's group of clinics provide patients greater access to Braxia's network of physicians, specialists and researchers delivering innovative, rapid acting treatments like intravenous (IV) and oral ketamine, and psilocybin for treatment resistant depression and other mental health disorders. Braxia Health clinics are also delivering world-class patient experience built around global best practices guidelines led by Dr. McIntrye and Dr. Rosenblat in the American Journal of Psychiatry.

The Company expects to continue to add capacity with the addition of its new flagship centre in Toronto and its expanding clinic in Ottawa. The new clinics and additional capacity will support the Company's ongoing Phase 2 multi-dose psilocybin trial in treatment resistant depression reporting and the increase demand in annual referrals.

Additionally, Braxia Health clinics have begun to expand current offerings across its centers to include IV and oral ketamine. Braxia specialists have delivered psilocybin treatments to patients through its ongoing multi-dose clinical trial in conjunction with Health Canada special access program (SAP) allowing psilocybin to be prescribed by physicians on a case-by-case basis to patients in need. Braxia was successful in receiving its first psilocybin SAP approval for a patient in Ontario in June 2022 and has now received several additional SAP approvals. To date, Braxia has treated multiple patients with psilocybin through its ongoing multi-dose clinical trial and training of 20 therapists via the Braxia Institute for psilocybin assisted therapy.

In June of 2020, the Company announced that it had been selected for a continuous disclosure review by the British Columbia Securities Commission (the "Commission") relating to its disclosure surrounding certain asset acquisitions. In connection with this review, the Commission issued a cease trade order suspending trading in the securities of the Company pending filing of business acquisition reports by the Company. In July of 2020, the requisite business acquisition reports were filed and the original cease trade order was revoked. The Commission then issued a replacement cease trade order pending a filing of a revised material change report in connection with the reverse takeover transaction with Altmed Capital Corp.

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

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

On March 26, 2021, the Company announced that it had 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.

On 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 was consequently reduced from 177,290,212 to 167,510,212 common shares.

On May 3, 2021, the Company announced that it had changed its name from "Champignon Brands Inc." to "Braxia Scientific Corp." and its ticker symbol changed from "SHRM" to "BRAX" on the CSE. The name change reflected 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. Additionally, the Company announced that the common shares, previously listed for trading on the OTC Market in the United States under the symbol "SHRMF", commenced trading on the OTC Market under the symbol "BRAXF" effective May 21, 2021. The Company also announced that it had 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.

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, the options will vest as follows: one third, 6 months from the date of issuance, one third, 12 months from the date of issuance, and remaining one-third, 18 months from the date of issuance.

In April and May of 2021, 868,302 common shares were issued on the exercise of previously issued warrants and options. Additionally, included in the 868,302 common shares issued were previously referred to 250,000 common shares issued to the independent contractor pursuant to the $125,000 debt settlement.

On October 21, 2021, the Company announced the publication of a new study led CEO Dr. Roger McIntyre in the Journal of the Royal Society of Medicine. The publication, entitled "Suicide reduction in Canada during the COVID-19 pandemic: lessons informing national prevention strategies for suicide reduction," was initiated to evaluate the impact of federal, public health and social support programs on national suicide rates in Canada, which were put in place to mitigate the abrupt changes to social and financial provisions brought on by the COVID-19 pandemic.

On October 26, 2021, the Company entered into a non-binding letter of intent (LOI) with KetaMD Inc. ("KetaMD"). The proposed transaction may involve a merger, business combination, amalgamation, purchase of assets or shares, reorganization or similar transaction should certain criteria be achieved. The LOI may be terminated without any further action by either party if a definitive agreement is not entered into within 45 days of the date of the LOI. As part of the LOI the Company agreed to provide US$200,000 in working capital to the company in exchange for a convertible note bearing interest at 8% and maturing December 31, 2022. The note is convertible into common shares of the private company. On January 18, 2022, March 24, 2022, and June 5, 2022 the Company advanced additional US$200,000, US$35,000 and US$100,000 of working capital to the company in exchange for three additional convertible notes with the same terms as the first. Should an agreement not be entered into within 45 days, or by such other date as the parties may agree, the Company would pay a penalty equal to the greater of $50,000 or 9% of any capital raised during that time period.

On October 29, 2021, the Company announced the voting results from its Annual General Meeting of Shareholders held on Thursday, October 28, 2021. The 4 nominees proposed by the Company: Roger McIntyre, Jerry Habuda, Olga Cwiek, and David Greenberg were elected as Directors of Braxia Scientific to serve until the Company's next Annual Meeting. In addition, to the election of all nominees for directors Braxia's shareholders approved all other resolutions placed before the meeting. These included appointing DMCL as auditors for the Company for the ensuing year. On April 13, 2022, the Company announced that David Greenberg resigned his position. For more details on the matters covered at the annual meeting, please refer to the Company's management information circular available on SEDAR at www.sedar.com.

On January 10, 2022, the Company closed a Private Placement and issued 30,000,000 Common Shares (or Common Share equivalents) and Warrants to purchase up to an aggregate of 30,000,000 Common Shares at a purchase price of $0.10 per Common Share and associated Warrant. Each Warrant will entitle the holder to purchase one Common Share at an exercise price of $0.125 per Common Share for a period of five years following the issuance date. Each Common Share equivalent consists of one pre-funded warrant (a "Pre-Funded Warrant"), which is exercisable for one Common Share at an exercise price of $0.0001 per Common Share and will expire when exercised in full.

Pre-Funded Warrants were issued to those purchasers of Common Shares in the Private Placement that would result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 9.99% of the outstanding Common Shares following the consummation of the Private Placement. In connection with its role as placement agent, the Company paid H.C. Wainwright & Co. a cash fee of $210,000 and issued 2,100,000 broker warrants ("Broker Warrants") to nominees of H.C. Wainwright & Co. Each Broker Warrant will entitle the holder to purchase one Common Share at an exercise price of $0.125 per Common Share for a period of five years following the issuance date. The Company also paid $147,592 of additional share issuance costs.

On February 24, 2022, the Company entered into an amended and restated non-binding LOI with KetaMD. The revised LOI sets out the principal terms of the proposed purchase of KetaMD by the Company. Pursuant to the revised LOI the Company will acquire all of the issued and outstanding shares of KetaMD through the issuance of common shares of the Company, such that upon completion of the acquisition the KetaMD shareholders would hold 17.5% of the post closing outstanding shares of the Company. If the Company is able to raise US$10,000,000 prior to the proposed acquisition, the Company will advance an additional US$2,364,499.50 to KetaMD to prepay convertible notes issued by KetaMD that are not held by the Company.

The revised LOI also provides for additional shares of the Company to be issued to KetaMD's nominees if certain market capitalization and financial performance milestones are met. The Company would also be required to reimburse KetaMD legal costs of up to US$50,000. As described in the Subsequent Highlights section of the MD&A the Company entered into a definitive agreement with KetaMD.

The Company entered into a lease for retail space with an occupancy date of January 3, 2022, and a lease commencement date of the earlier of March 3, 2022, and the date the premises opens to the public. The term of the lease is for five years in consideration for minimum annual rent of $31,428. The Company also entered into a sublease of office and retail space from March 1, 2022 to June 29, 2023. The estimated consideration for the sublease is $14,933 per month.

On May 20, 2022, the Company announced that Health Canada approved the Company's application to the Special Access Program ("SAP") to provide psilocybin-assisted psychotherapy for a patient with Major Depressive Disorder in Ontario, through its wholly owned subsidiary Canadian Rapid Treatment Centre of Excellence (CRTCE). This was Braxia's first psilocybin-assisted therapy treatment approval using Health Canada's SAP providing patient access to psychedelic compounds on a case-by-case basis outside of clinical trials.

On June 2, 2022, the Company announced positive preliminary results from the first Health Canada Approved, Phase II, randomized clinical trial to evaluate the feasibility, safety, tolerability, and efficacy of multi-dose psilocybin-assisted therapy for Treatment-Resistant-Depression. The preliminary results were presented at the " From Research to Reality Conference" in Toronto, May 27-28, 2022.

Positive Preliminary Results Highlights:

- Braxia Scientific's ongoing multi-dose psilocybin trial effectively demonstrated the feasibility of Braxia's proprietary psilocybin-assisted therapy protocol with high rates of recruitment and retention with adequate tolerability and safety.
- Clinically meaningful improvements in depression severity observed (as measured by the Montgomery-Åsberg depression rating scale) with complete analysis of antidepressant efficacy and secondary outcomes pending. This trial is expected to be completed by December 2022 at which point the full analysis will be completed and submitted for publication.
- Preliminary results indicate strong feasibility with adequate recruitment including 159 individuals who were referred to the study.
- Retention – 93% of participants retained to primary endpoint.
- Safety – No serious adverse events and zero suicide attempts to date.
- Tolerability – majority of adverse effects resolving within 24 hours of each dose and 87% of participants requesting to receive a second dose.

- Feasibility of Braxia Institute psychedelic therapy training program demonstrated through recruiting, retaining, and training group of multi-disciplinary independently licensed therapists that continue to serve as therapists as part of Braxia's psilocybin trial. Group of therapists consists of psychiatrists, primary care therapists, psychotherapists and spiritual care.

Subsequent Highlights

On July 27, 2022, the Company was pleased to announce the addition of strategic hires bolstering Braxia's leadership team and its ability to drive growth and innovation. The Company appointed its Chief Information Officer as well as its Vice President, Research & Development and Growth. Both roles are integral to executing the expansion of the Company's clinical footprint, the rollout and expansion of novel ketamine and psilocybin therapy offerings, new special access programs, current and upcoming clinical trials, and the potential commercialization of future product development.

On August 3, 2022, the Company was pleased to announce it has acquired 100% of the issued and outstanding stock of KetaMD, Inc. ("KetaMD") (the "Transaction"). KetaMD is a U.S. based, privately-held, innovative telemedicine company, with a mission to address mental health challenges via access to technology-facilitated ketamine-based treatments. KetaMD's end-to-end telemedicine platform, utilizing leading technology, provides access to safe, affordable, and potentially life-changing at-home ketamine treatments for people suffering from depression and related mental health conditions. Treatments are medically supervised, guided virtually by registered nurses with mental health expertise, and backed by the world's leading psychiatrists and researchers in depression. KetaMD's integration of ketamine and telemedicine is guided by best practices and treatment guidance.

KetaMD's innovative technology capabilities provides Braxia the opportunity to offer both patient-centric in-person and digital telehealth ketamine treatments, combined with established clinical research and development capabilities focused on the commercialization and real-world implementation of novel pharmaceuticals. Braxia plans to further augment tools and capabilities of the KetaMD platform, including planning new clinical trials in the U.S. and leveraging Braxia's growing proprietary patient dataset, with patient outcomes, to support potential future development of digital therapeutics in the management of depression and other related mental health conditions.

On August 29, 2022, the Board of Directors of the Company approved the grant of 11,220,000 options to members of executive management of the Company. The exercise price will not be less than the higher of the market price at close on the date of grant and the day prior to the date of grant. These options have a five-year term and will vest on a staggered basis, with 5,110,000 vesting immediately, 5,443,333 vesting in 6 months, 333,333 vesting in 12 months and 333,334 vesting in 18 months, all in accordance with the Company's stock option plan.

Legal Contingencies

On April 23, 2021, the 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 Company settled the claim for US$50,000 subsequent to March 31, 2022.

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 was based on allegations relating the Company's disclosure documents regarding the value of four acquisitions made by the Company in 2020 and related matters. The plaintiff was seeking an unspecified monetary amount of damages for the proposed class.

On August 26, 2021, the Company was served with a class action complaint in the United States District Court for the Central District of California against the Company, its former CEO and director, and its former President and director. The complaint alleges that the Company and the individual defendants violated ss. 10(b) and 20(a) of the Securities and Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The complaint was based on allegations relating the Company's disclosure documents regarding four acquisitions made by the Company in 2020 and related matters. The plaintiff was seeking an unspecified amount of damages for the proposed class.

On April 13, 2022, the Company announced it had reached an agreement in principle (the "US Settlement") to settle claims alleged in a securities class action ("US Class Action") pending against the Company and certain of its former officers filed in the United States District Court for the Central District of California in August, 2021. The Company also announced it had signed a settlement agreement (the "Canadian Settlement") to resolve a class action lawsuit ("Canadian Class Action") that was filed in the British Columbia Supreme Court in May 2021 against the Company and its CEO, certain of its former officers, a shareholder, and underwriters.

The US Settlement contemplates a cash payment by the Company of USD $1 million to settle the US Class Action. The Canadian Settlement contemplates a cash payment of CDN $1.9 million, of which the Company will be paying CDN $1.6 million. After available insurance, the total cost to the Company to settle both class actions will be approximately CDN $1.35 million. This does not include legal expenses incurred by the Company, of which approximately CDN $750,000 has been paid.

Both the US Settlement and the Canadian Settlement are subject to court approval at hearings expected later in 2022. Under the respective settlement agreement, once the US Settlement and the Canadian Settlement receive court approval, both class actions will be dismissed against all defendants, including the Company and its officers. Approval by the respective courts, notice to the putative classes, and the satisfaction of customary conditions to effectiveness will take several months.

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 constituted 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 was 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 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.

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 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 Financial Information

	Three months ended June 30, 2022 $	Three months ended June 30, 2021 $
Revenues	417,500	407,075
Operating expenses	(1,060,846)	(1,166,697)
Net loss	(968,844)	(1,091,568)
Basic and diluted loss per share	(0.00)	(0.01)

	June 30, 2022 $	March 31, 2022 $
Cash	7,677,880	8,677,614
Total assets	10,815,530	11,634,495
Total current liabilities	2,469,449	2,538,252
Total long-term debt	141,234	133,612
Dividends	nil	nil

Results of Operations - Revenue

The Company derives most of its revenue from providing ketamine infusion treatments to patients at the Braxia Health clinics. 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.

Revenues increased from $407,075 to $417,500 during the period ended June 30, 2022 compared to June 30, 2021. The Company recorded revenues of $417,500 and a gross margin of $107,272 for the period ended June 30, 2022. The Company recorded revenues of $407,075 and a gross margin of $114,253 for the period ended June 30, 2021. The gross margin percentage approximates 26% and 28% for the periods ended June 30, 2022 and 2021, respectively.

During the period ended June 30, 2022, the Company has found increased traction within the market. During 2022, the demand for the Company's product and services have increased which has led to increased revenues during the period ended June 30, 2022 as compared to the period ended June 30, 2021.

The increase in revenues has led to a corresponding increase in cost of sales during the period ended June 30, 2022 as compared to the period ended June 30, 2021.

Results of Operations - Expenses

The Company incurred loss and comprehensive loss of $968,844 (2022 - $1,091,568) during the period ended June 30, 2022.

The main factors that contributed to the loss in the period were share-based compensation of $211,060 (2022 - $294,758), advertising and promotion fees of $19,763 (2022 - $108,423), consulting fees of $79,865 (2022 - $119,384), insurance expenses of $108,340 (2022 – $79,412) office and miscellaneous expenses of $120,900 (2022 - $108,181), professional fees of $102,722 (2022 - $103,238), and research and development of $17,199 (2022 - $71,498).

Professional fees consist of bookkeeping, financial reporting, audit and accounting and legal fees in connection with the cease trade order, various lawsuits 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.
Insurance expense relates to the payment of insurance policy premiums by the Company and has increased as the Company has increased operations.

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.
Share based compensation relates to stock options and acquisitions through share-based transactions. During the period ended June 30, 2022, the share-based compensation incurred in relation to the recognition of vesting of stock options. During the period ended June 30, 2021, the Company issued 9,750,000 stock options with an exercise price of $0.395 to officers, directors, and consultants.

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.

	2023		**2022**	
	Qtr 1	**Qtr 4**	**Qtr 3**	**Qtr 2**
	$	**$**	**$**	**$**
Revenue	417,500	369,654	324,902	385,525
Total assets	10,815,530	11,634,495	15,444,848	16,891,012
Total liabilities	2,610,683	2,671,864	2,692,443	2,504,938
Net loss	(968,844)	(6,810,222)	(2,522,359)	(1,709,942)
Basic and diluted loss per share	(0.00)	(0.04)	(0.01)	(0.01)

	2022		**2021**	
	Qtr 1	**Qtr 4**	**Qtr 3**	**Qtr 2**
	$	**$**	**$**	**$**
Revenue	407,075	246,673	286,841	249,049
Total assets	17,574,362	18,490,005	20,095,741	21,073,101
Total liabilities	2,381,644	2,600,468	1,673,109	1,113,022
Net loss	(1,091,568)	(2,594,726)	(1,541,946)	(2,052,580)
Basic and diluted loss per share	(0.01)	(0.72)	(0.01)	(0.01)

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 the period ended June 30, 2020, 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 period ended June 30, 2020, 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.

The Company's revenues have continued to gain traction since the acquisition date of CRTCE. The Company recorded a 65% increase from Q4 2021 to Q1 2022. The Company recorded a 5% decrease from Q1 2022 to Q2 2022, a 16% decrease from Q2 2022 to Q3 2022, a 14% increase from Q3 2022 to Q4 2022 and a 11% increase from Q4 2022 to Q1 2023.

The Company's expenditures have steadily decreased as the Company trimmed costs until the quarter ended September 30, 2021. Costs increased during the quarter ended December 31, 2021 as a result of an increase in share-based compensation and

salaries, which was offset by a decrease in professional fees, research and development, advertising and promotion and consulting fees.
The Company's expenditures also increased during the quarter ended December 31, 2021. Costs increased during the quarter ended December 31, 2021 as a result of an increase in share-based compensation, professional fees, and salaries, which was offset by a decrease in research and development.

The decrease in assets during the first three quarters of fiscal 2022 and the first quarter of fiscal 2023 was the result of expenditures of cash for operations.

The increased net loss during Q4 2022, and the decrease in net assets was mainly the result of recording an impairment of goodwill recorded as part of the acquisition of CRTCE of $5,275,374 during Q4 2022. The decrease in assets during Q4 2022 was also the result of expenditures of cash for operations.

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.

	June 30, 2022 $	March 31, 2022 $
Working capital	6,125,768	7,124,971
Current liabilities	2,469,449	2,538,252
Long term liabilities	141,234	133,612
Accumulated deficit	103,856,238	102,887,394

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, are expected to be from the operation of its clinics and 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 period ended June 30, 2022, $598,833 (2022 – $891,408) cash was used in operating activities. This consisted primarily of cash paid for advertising and promotion, consulting fees, professional fees, research and development, salaries and office and miscellaneous expenses.

Financing Activities:

The Company paid lease payments of $6,293 and $3,981 during the period ended June 30, 2022 and 2021, respectively. During the period ended June 30, 2022, the Company received $72,991 of proceeds upon the exercise of warrants.

Investing Activities:

During the period ended June 30, the Company advanced net cash to its joint venture, totaling $2,396 (2021 - $19,375) and purchased equipment for $262,412 (2021 - $1,482). During the period ended June 30, 2022, the Company also advanced $129,800 in exchange for a convertible note receivable as part of a potential acquisition.

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

Other than the proposed acquisition of KetaMD as disclosed on page 6 of this MD&A, 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 three months ended June 30, 2022.

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)
Stephen R. Brooks, CFO (appointed January 18, 2021)
Dr. Joshua Rosenblat, Chief Medical and Scientific Officer (appointed May 28, 2021)
Dr. Yena Lee, Chief Research Officer (appointed on May 28, 2021, ceased January 31, 2022)
Peter Rizakos, General Counsel (appointed January 8, 2021)
Jerry Habuda, Director (appointed August 19, 2019)
Olga Cwiek, Director (appointed a director February 4, 2021)
Dr. David Greenberg, Director (appointed May 14, 2021, resigned March 16, 2022)
Kevin Kratiuk, VP of Operations of Braxia Health
Jason Wolkove, Chief Information Officer (appointed July 4, 2022)
Daniel Herrera, Vice President, Research & Development and Growth (appointed July 4, 2022)

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

	June 30, 2022 $	June 30, 2021 $
Salaries	227,500	206,250
Professional fees	-	3,938
Share-based compensation	91,937	-
Rent	6,322	5,085
Products purchased from a pharmacy owned by the Vice President of Operations of the Company's subsidiary	49,260	48,480
	375,019	263,753

For the period ended June 30, 2022, $1,068 (March 31, 2022 - $82,276) 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.

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.

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 fair value of convertible notes receivable is measured using Level 3 inputs. The carrying value of promissory note payable and accounts payable approximates the 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.

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. The Company is also exposed to credit risk related to the Company's convertible notes receivable. The credit risk related to the convertible notes receivable is considered low as the Company acquired the shares of the borrower.

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 June 30, 2022, the Company had current assets of $8,595,217 to cover short term obligations of $2,469,449.

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 June 30, 2022, 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.

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 June 30, 2022 and the date of this document, the Company had the following number of securities outstanding:

- 198,578,514 common shares issued and outstanding;
- 9,833,333 options outstanding; and
- 35,100,000 warrants outstanding.

As of the date of this document, the Company had the following number of securities outstanding:

- 240,723,143 common shares issued and outstanding;
- 21,053,333 options outstanding; and
- 35,100,000 warrants outstanding.

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 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.

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.

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.

Trademark Protection

The Company currently has not 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.

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.

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.

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.

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.

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.

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.

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.

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.

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 enrol 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.

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.

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.

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.