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OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

New Issue

February 7, 2023

BRAXIA SCIENTIFIC CORP.



SUBSCRIPTION PRICE: \$0.055 PER UNIT

SUMMARY OF OFFERING

What are we offering?

Braxia Scientific Corp. (the “Company”, “Braxia” or “we”) is offering units of the Company (“Units”) at a price of \$0.055 per Unit (the “Offering”). Each Unit will be comprised of one common share in the capital of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder thereof to acquire one additional Common Share (a “Warrant Share”) at a price of \$0.07 per Warrant Share for a period of 36 months from the Closing Date (as defined herein).

The aggregate minimum gross proceeds of the Offering is \$750,000 (the “Minimum Offering”) and the aggregate maximum gross proceeds of the Offering is \$1,500,000 (the “Maximum Offering”). Under the Minimum Offering, the Company would issue 13,636,364 Units and under the Maximum Offering, the Company would issue 27,272,727 Units. The Company, in its sole discretion, may determine the number of Units issued pursuant to the Offering, provided the aggregate gross proceeds raised from the Offering is within the range of the Minimum Offering and the Maximum Offering.

Each holder of Common Shares is entitled to receive notice of and to attend any meetings of Braxia’s shareholders and is entitled to one vote for each Common Share held at the applicable record date for such meeting. Each holder of Common Shares is entitled to receive dividends, if any, as and when declared by Braxia’s board of directors and participate equally in any distribution of the net assets of the Company upon a liquidation, dissolution, or winding-up of the Company.

Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.07 until the date that is 36 months following the Closing Date, subject to the terms of the Warrants, after which time the Warrants will be void and of no value. The Warrants will be governed by the terms and conditions set out in certificates representing the Warrants (the “Warrant Certificates”) delivered on the Closing Date. The Warrant Certificates will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain customary events.

No fractional Warrants Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Certificate. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Warrant Certificates will provide that, from time to time, the Company may, subject to the provisions of the Warrant Certificate, modify the terms and conditions of the Warrant Certificates, for any one or more of the following purposes: (a) making such provisions not inconsistent with the Warrant Certificates as may be necessary or desirable with respect to matters or questions arising under the Warrant Certificates; (b) making any modification in the form of Warrant Certificates which does not affect the substance thereof; (c) for any other purpose not inconsistent with the terms of the Warrant Certificate, including the correction or rectification of any ambiguities, defective provisions, errors or omissions therein; and (d) to evidence any succession of the Company and the assumption by any successor of the covenants of the Company in the Warrant Certificates.

It is expected that the Offering may close in one or more tranches with the completion of the final sale of the Units pursuant to the Offering expected to take place on or about February 20, 2023, or on such other date as may be determined by the Company (the “Closing Date”) and, in any event, on or before a date not later than 45 days after the date of the filing of this offering document (the “Offering Document”).

The outstanding Common Shares are listed and posted for trading on the Canadian Securities Exchange (the “CSE”) under the symbol “BRAX” and in the United States on the OTC Pink under the symbol “BRAXF”. On February 6, 2023, the last trading day completed prior to the date of this Offering Document, the closing price of the Common Shares on the CSE was \$0.07 and the closing price of the Common Shares on the OTC Pink was US\$0.052. All references in this Offering Document to “dollars”, “C\$” or “\$” are to Canadian dollars, unless otherwise stated.

Braxia is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this Offering, the issuer represents the following is true:

- **Braxia has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **Braxia has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$5,000,000.**
- **Braxia will not close this Offering unless Braxia reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **Braxia will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which Braxia seeks security holder approval.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words “believes”, “may”, “plans”, “will”, “anticipates”, “intends”, “could”, “estimates”, “expects”, “forecasts”, “projects” and similar expressions, and the negative of such expressions.

Forward-looking statements include statements about the intended promise of ketamine-based treatments for depression, the potential for ketamine or other psychedelics to treat other mental health conditions, the integration plans for Braxia and KetaMD (as defined herein), the intention to conduct further clinical trials, the expected growth of at-home telemedicine, the expectation to expand the KetaMD platform to areas other than Florida, the negotiation and execution of a definitive Arrangement Agreement (as defined herein), the completion and proposed terms of the Irwin Transaction (as defined herein) and the acquisition of all of the issued and outstanding Braxia Shares (as defined herein), required conditions precedent to the Irwin Transaction, including regulatory, court, and security holder approvals, the completion of the US Private Placement (as defined herein), the settlement of class action litigation involving Braxia and court approval regarding such settlement, and the anticipated completion, use of proceeds and timing of the Offering. 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 failure of ketamine, psilocybin and other psychedelics to provide the expected health benefits and unanticipated side effects, dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing federal, provincial, municipal, local or other licenses and engaging in activities that could be later determined to be illegal under domestic or international laws, the ability of Braxia to negotiate an Arrangement Agreement and complete the Irwin Transaction and obtain the necessary regulatory, court, security holder, and other third-party approvals necessary in connection therewith, negative reactions from the investment community and the required payment of certain costs related to the Irwin Transaction, actions taken by parties seeking to prevent or alter the terms of the Irwin Transaction, and the focus of management's time and attention on the Irwin Transaction and other disruptions arising from the Irwin Transaction. Ketamine and psilocybin are currently Schedule I and Schedule III controlled substances, respectively, under the Controlled Drugs and Substances Act, S.C. 1996, c. 19 (the "CDSA") and it is a criminal offence to possess such substances under the CDSA without a prescription or a legal exemption. Health Canada has not approved psilocybin as a drug for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances in Canada without a prescription.

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 in the Company's filings with Canadian securities regulators, including the Amended and Restated Listing Statement dated April 15, 2021 and its most recent MD&A, 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.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Braxia is a Canadian medical research and telemedicine company founded in 2019 with clinics that provide ketamine treatments for persons with depression and related disorders. Braxia owns a telemedicine platform through its wholly owned subsidiary, KetaMD Inc. (“KetaMD”), which seeks to provide access to at-home ketamine treatments for people living with depression and related mental health conditions. Through its medical solutions, Braxia aims to reduce the illness burden of brain-based disorders, such as major depressive disorder. Braxia is primarily focused on: (i) owning and operating multidisciplinary clinics, providing treatment in-person and virtually for mental health disorders, and (ii) researching 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. Through its wholly owned subsidiary, the Canadian Rapid Treatment Center of Excellence Inc., Braxia operates community-based clinics offering rapid-acting treatments for depression located in Mississauga, Toronto, Kitchener-Waterloo, Ottawa, and Montreal.

Recent developments

Launch of KetaMD Platform

On September 12, 2022, the Company announced that KetaMD had launched its telemedicine platform in Florida. KetaMD onboarded new patients and completed initial ketamine treatments in August 2022. Eligible patients, as determined by one of KetaMD’s licensed Florida healthcare practitioners, received medically supervised treatments, guided virtually by registered nurses with mental health expertise, while in the comfort of their home.

Advancements in Settlement of Class Action Litigation

On September 16, 2022, the Company announced that the Supreme Court of British Columbia had approved a settlement of a class action lawsuit that was filed in May 2021 against Braxia, its chief executive officer, certain of its former officers, a shareholder, and underwriters (the “Canadian Settlement”). The Canadian Settlement contemplated a cash payment of \$1.9 million, of which the Company paid \$1.6 million and certain other parties to the Canadian Settlement paid \$300,000. Preliminary court approval was obtained on November 1, 2022 to settle claims alleged in a securities class action (the “US Class Action”) against the Company and certain of its former officers filed in the United States District Court for the Central District of California in April 2021 (the “US Settlement”). The US Settlement contemplates a cash payment by the Company of US\$1 million to settle the US Class Action, which sum has been paid by the Company to plaintiffs’ counsel in escrow pending final court approval. Final court approval is dependent upon the result of the settlement hearing scheduled for February 27, 2023. After the receipt of certain funds from the Company’s insurers, and provided court approval of the US Settlement is obtained, the total cost to the Company to settle both class actions will be approximately \$1.36 million, excluding legal fees estimated at \$1.16 million.

Non-Binding LOI Regarding Proposed Irwin Merger

On January 27, 2023, the Company announced it had entered into a non-binding amended and restated letter of intent (“LOI”) with Irwin Naturals Inc. (“Irwin”) that sets forth the material terms and conditions upon which Irwin proposes to acquire all of the issued and outstanding common shares (the “Braxia Shares”) of Braxia (the “Irwin Transaction”). The Irwin Transaction is expected to be implemented by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) pursuant to a definitive arrangement agreement being negotiated by Braxia and Irwin (the “Arrangement Agreement”).

Pursuant to the LOI, Irwin is prepared to offer a purchase price per Braxia Share based upon a valuation of the outstanding Braxia Shares of US\$30,000,000 and a deemed value per subordinate voting share (“Consideration Shares”) equal to the greater of US\$3.00 and the volume weighted average trading price of Consideration Shares on the CSE for the 20 trading days immediately prior to the execution of the Arrangement Agreement. The purchase price would be payable on closing of the Irwin Transaction (the “Irwin Closing Date”) by the issuance of Consideration Shares to each holder of Braxia Shares. The number of Consideration Shares will also be adjusted

upward in the event that the total consideration received by holders of Braxia Shares is less than US\$30,000,000, to be determined at a specified period of time after the Irwin Closing Date and as set forth in the Arrangement Agreement.

The final purchase price per Braxia Share and the exchange ratio will be set forth and determined at the time the Arrangement Agreement is executed.

The LOI further provides that the Consideration Shares would be subject to a lock-up period and would be restricted from transfer or sale for a period of 6 months after the Irwin Closing Date. Insiders of Braxia would be subject to a lock-up period of 12 months from the Irwin Closing Date.

Pursuant to the LOI and in connection with the Irwin Transaction, it is expected that the convertible securities of Braxia would, pursuant to the Arrangement Agreement, either remain outstanding in accordance with their terms or be exchanged for substantially similar securities of Irwin. This would include any Warrants issued pursuant to the Offering.

The LOI is non-binding and there is no assurance that the Irwin Transaction will be completed as proposed or at all.

The completion of the Irwin Transaction is subject to, among other things (i) completion of satisfactory due diligence by each of Braxia and Irwin, (ii) negotiation of and the entering into of a binding definitive Arrangement Agreement in connection with the Irwin Transaction, (iii) receipt of all required corporate approvals from the board of directors of Braxia and Irwin, respectively, and all regulatory and shareholder approvals and any required third-party consents, and (iv) Braxia having at least C\$575,000 in working capital immediately before closing on the Irwin Closing Date.

If the Irwin Transaction is completed, the Company will become a wholly owned subsidiary of Irwin and will apply to cease being a reporting issuer.

Resignation of Leann Taylor

On February 7, 2023, the Company announced the resignation of Leann Taylor from the board of directors of the Company.

Concurrent U.S. Private Placement

On February 7, 2023 the Company announced a non-brokered private placement to subscribers in the United States of America (the “US Private Placement”). Pursuant to the US Private Placement, the Company intends to issue up to 7,272,727 units of the Company on the same terms as the Units to be issued under the Offering. Neither the completion of the Offering nor the completion of the US Private Placement are conditional upon the completion of the other.

What are the business objectives that we expect to accomplish using the available funds?

The business objectives that Braxia expects to accomplish using the net proceeds of the Offering, together with existing cash and cash equivalents, are (i) to support the rollout of the KetaMD platform to additional states in the United States, (ii) for clinic expansion in Canada, and (iii) to continue psychedelic product IP development.

The Company expects these events will occur within the following time frames, with the following costs related to each event:

Event	Time Frame	(assuming minimum offering only)	(assuming 100% of offering)
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Ongoing development and expansion of KetaMD to 5 states	February-December 2023	\$704,000	\$909,000
To establish or acquire additional clinics in Canada	May-December 2023	\$575,000	\$865,000
Further IP Development	May-December 2023	\$180,000	\$260,000
Working Capital	February-December 2023	\$400,122	\$575,122
Total Expenditures		\$1,859,122	\$2,609,122

Given the uncertainty regarding the execution of an Arrangement Agreement and completion of the Irwin Transaction, the Company's current business objectives remain based on its current business and plans.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

		Assuming the Minimum Offering only	Assuming 100% of the Maximum Offering
A	Amount to be raised by this Offering	\$750,000	\$1,500,000
B	Selling commissions and fees	\$0	\$0
C	Estimated offering costs (e.g., legal, accounting, audit)	\$25,000	\$25,000
D	Net proceeds of Offering: $D = A - (B+C)$	\$725,000	\$1,475,000
E	Working capital as at most recent month end ⁽¹⁾	\$1,134,122	\$1,134,122
F	Additional sources of funding	\$0	\$0
G	Total available funds: $G = D+E+F$	\$1,859,122	\$2,609,122

Notes:

- ⁽¹⁾ As at December 31, 2022, Braxia had available cash of \$1,378,635 and working capital estimated at \$25,399, which includes liabilities of \$1,108,723 which the Company anticipates will be settled by issuing Common Shares to the respective counterparties. With an adjustment to exclude liabilities that the Company anticipates will be settled through the issuance of Common Shares, working capital at such date was \$1,134,122. Working capital declined from \$7.1 million as at March 31, 2022, the date of the Company's most recent audited annual financial statements, to December 31, 2022, primarily due to operating losses, start-up costs for KetaMD and the costs to the Canadian Settlement and US Settlement described above. Working capital figures for January 2023 are not yet available.

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming the Minimum Offering only	Assuming 100% of the Maximum Offering
Expansion of KetaMD Platform	\$704,000	\$909,000
Canadian Clinic Expansion	\$575,000	\$865,000
IP Development	\$180,000	\$260,000
Working capital purposes	\$400,122	\$575,122
Total: Equal to G in the available funds in the preceding table	\$1,859,122	\$2,609,122

The above noted allocation represents the Company's intentions with respect to its use of available funds based on current knowledge, planning and expectations of management of the Company. Actual use of funds may differ from the estimates set forth above. There may be circumstances where for sound business reasons, the Company reallocates the use of available funds.

The Company expects that it currently has sufficient working capital to fund any obligations of the Company pursuant to the Irwin Transaction, including any professional services related thereto, and confirms that the net proceeds from the Offering will not be allocated to expenses incurred in connection with the Irwin Transaction.

The condensed interim consolidated financial statements for the Company for the 6 month period ended September 30, 2022, noted that they were prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company believes that the completion of the Offering will support management's assumption that the Company will continue as a going concern beyond one year but will not remove the requirement to maintain the going concern note in the next annual financial statements.

How have we used the other funds we have raised in the past 12 months?

The Company has not completed any financings in the past 12 months.

FEES AND COMMISSIONS**Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?**

The Offering is not being made with the services of a dealer or agent and no commission or fee is payable to any party in connection with the sale of Units.

U.S. OFFERING RESTRICTIONS

The Units, Common Shares, and Warrants issued pursuant to the Offering have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act") or the securities laws of any state in the United States and, subject to certain exemptions from registration under the

U.S. Securities Act and applicable state securities laws, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States.

This Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any Units, Common Shares, or Warrants in the United States to, or for the account or benefit of, U.S. persons or persons in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of Units, Common Shares or Warrants within the United States or, to or for the account or benefit of, U.S. persons or persons in the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless made otherwise than in accordance with an exemption from the registration requirements under the U.S. Securities Act and similar exemptions under applicable state securities laws.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- a) to rescind your purchase of these securities with Braxia, or
- b) to damages against Braxia and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where you can find more information about us

Security holders can access Braxia's continuous disclosure at www.sedar.com and may find additional information at our website www.braxiascientific.com.

Purchasers should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Units.

CERTIFICATE OF THE COMPANY

February 7, 2023

This Offering Document, together with any document filed under Canadian securities legislation on or after February 7, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

(Signed) “*ROGER MCINTYRE*”
Chief Executive Officer

(Signed) “*STEPHEN BROOKS*”
Chief Financial Officer