A copy of this preliminary prospectus has been filed with the securities regulatory authority in the province of British Columbia but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute a public offering of securities.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S Persons.*

Non-Offering Prospectus **July 22, 2020**

PRELIMINARY PROSPECTUS

NEWSCOPE CAPITAL CORPORATION

(d/b/a PharmaTher)

1,036,000 Common Shares issuable on deemed exercise of 1,036,000 Special Warrants

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This non-offering preliminary prospectus (the "**Prospectus**") of Newscope Capital Corporation (d/b/a PharmaTher) (the "**Company**"), is being filed with the British Columbia Securities Commission (the "**BCSC**") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia and to qualify the distribution of the following securities: 1,036,000 common shares (the "**Common Shares**") in the capital of the Company issuable upon the deemed conversion of all of the currently issued and outstanding special warrants (the "**Special Warrants**") of the Company. Upon the final receipt of this Prospectus by the BCSC, the Company will become a reporting issuer in British Columbia. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

The Special Warrants were issued, on a private placement basis, on May 29, 2019, at a price of $0.10 per Special Warrant, to purchasers in the province British Columbia and to Vested Technology Corp. (a start-up equity crowdfunding portal), pursuant to certain prospectus exemptions under applicable securities legislation in the Province of British Columbia (collectively the "**Special Warrant Private Placement**"). Collectively, the Common Shares are referred to herein as the "**Qualified Securities**". **The Special Warrants are not available for purchase pursuant to this prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Securities.**

Each Special Warrant is represented by a Special Warrant Certificate and will be deemed converted and exchanged, without payment of any additional consideration and without any further action by the holder, for one Qualified Security, on the third business day after the Prospectus Receipt Date (defined herein). The Special Warrants and the conditions necessary for them to be converted for Common Shares are described in more detail under the heading "*Description of Securities*" in this prospectus.

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company's securities in the secondary markets, the transparency and availability of trading prices, the liquidity of the Company's securities and the extent of issuer regulation. See "*Risk Factors*".

Upon the issuance of a receipt for the filing of this Prospectus, the Company intends to apply to list its Common Shares on the Canadian Securities Exchange (the "**CSE**") under the symbol "DRAI". Listing on the CSE (the "**Listing**") is subject to the Company fulfilling all of the listing requirements of the CSE and meeting all minimum requirements. The CSE has not conditionally approved the Company's listing application and there is no assurance that it will do so. As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas Neo Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities.

An investment in Common Shares of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

In this Prospectus, "we", "us", "our", and the "Company" refers to Newscope Capital Corporation, a corporation existing pursuant to the *Business Corporations Act* (British Columbia).

The Company's registered office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7 and its head office is located at 1100 – 1111 Melville Street, Vancouver, British Columbia V6E 3V6.

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GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

"**2020 Private Placement**" means the non-brokered private placement of the Company of 10,000,000 Common Shares, at a price per share of $0.10, for gross proceeds to the Company of $1,000,000, which closed on July 8, 2020;

"**Acquisition**" means the acquisition of all of the issued and outstanding securities of PharmaTher by the Company pursuant to the Share Exchange Agreement;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, together with all regulations promulgated thereto;

"**Board**" means the board of directors of the Company;

"**Broker Warrants**" means the 680,000 common share purchase warrants of the Company issued to registered dealers in connection with the 2020 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months;

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

"**Common Shares**" means the common shares in the capital of the Company and "**Common Share**" means any one of them;

"**Company**" means Newscope Capital Corporation;

"**Escrow Agreements**" means the NP 46-201 escrow agreement to be entered into on or before the Prospectus Receipt Date among the Company, the escrow agent and certain shareholders of the Company;

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange;

"**Listing**" means the proposed listing of the Common Shares on the CSE for trading;

"**Listing Date**" means the date on which the Common Shares of the Company are listed for trading on the Exchange;

"**MD&A**" means management's discussion and analysis of financial condition and operating results;

"**Named Executive Officers**" or "**NEOs**" has the meaning set forth under "Executive Compensation";

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators;

"**Options**" means options to purchase Common Shares issued pursuant to the Option Plan;

"**Option Plan**" means the Company's share option plan adopted on November 19, 2019 by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

"**PharmaTher**" means PharmaTher Inc.;

"**Principal**" of an issuer means:

(a) a person or company who acted as a promoter of the Company within two years before the prospectus;

(b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of the prospectus;

(c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's Listing Date; or

(d) a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's Listing Date, and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries;

"**Prospectus**" means this preliminary prospectus dated July 22, 2020;

"**Prospectus Receipt Date**" means the date that a receipt for a final prospectus qualifying the distribution of the Qualified Securities is issued to the Resulting Issuer from the securities regulatory authority in British Columbia;

"**Qualified Securities**" has the meaning as set forth on the face page of this Prospectus;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (www.sedar.com);

"**Share Exchange Agreement**" means the share exchange agreement entered into on June 3, 2020, between the Company and the securityholders of PharmaTher;

"**Special Warrant Certificate**" means a certificate representing Special Warrants;

"**Special Warrant Exercise Date**" means the date the Special Warrants are deemed to have been converted into one Common Share, which is the third business day after the Prospectus Receipt Date;

"**Special Warrant Private Placement**" means the non-brokered private placement of the Company of 1,036,000 Special Warrants (936,000 Special Warrants issued to subscribers and 100,000 Special Warrants issued to Vested Technology Corp. as compensation) for gross proceeds to the Company of $93,600, which closed on May 29, 2019, and which will result in the deemed conversion of the 1,036,000 Special Warrants for 1,036,000 Common Shares;

"**Special Warrants**" means the special warrants issued by the Company, at a price of $0.10 per Special Warrant, pursuant to the Special Warrant Private Placement and entitling the holder thereof to acquire, for no additional consideration, one Common Share pursuant to the terms and conditions in the Special Warrant Certificates; and

"**Warrants**" means the common share purchase warrants of the Company.

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to $ are to Canadian dollars.

FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company's intention to complete the Listing;
- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- the grant and impact of any license or supplemental license to conduct activities with psychopharmacological products or any amendments thereof;
- the Company's competitive position and the regulatory environment in which the Company expects to operate;
- the Company's expectation that available funds will be sufficient to cover its expenses over the next twelve months;
- the Company's expected business objectives and milestones, including costs of the foregoing, for the next twelve months;
- the costs associated with this Prospectus and the Listing;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;
- projections for development plans and progress of products and technologies, including with respect to timely and successful discovery and identification of psychedelic-derived pharmaceuticals suitable for repurposing;
- the Company's ability to attract partners in the development process;
- the Company's ability to license identified product candidates to pharmaceutical companies;
- expectations regarding acceptance of products and technologies by the market; and
- the intentions of the Board with respect to executive compensation plans and corporate governance plans described herein.

Certain of the forward-looking statements and other information contained in this Prospectus concerning the industry and the markets in which the Company operates, including the Company's general expectations and market position, market opportunities and market share, is based on estimates prepared by the Company using data from publicly

available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the psychopharmacological industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to: (i) obtaining the necessary regulatory approvals ; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the Company's ability to successfully execute its plans and intentions, including, without limitation, obtaining a Receipt and listing the Common Shares on the Exchange; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; (ix) that good relationships with service providers and other third parties will be established and maintained; (x) continued growth of the psychopharmacological industry; and (xi) positive public opinion with respect to the psychopharmacological industry. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- the Company is a development stage company with little operating history and the Company cannot assure profitability;
- uncertainty about the Company's ability to continue as a going concern;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, research and development, regulatory compliance and operations;
- the Company may not be able to successfully discover and identify product candidates for repurposing, which could prevent it from ever becoming profitable;
- the Company does not manufacture any products and relies, and intends to rely, on third parties to manufacture its products;
- the Company's research, development and commercialization of its products could be stopped or delayed if any third party fails to provide sufficient quantities of products or fails to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance;
- there is no assurance that the Company will turn a profit or generate immediate revenues;
- the Company may be unable to adequately protect its proprietary and intellectual property rights;
- the Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights;
- the Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition;

- the Company faces competition from other companies where it will conduct business and those companies may have a higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the psychopharmacological industry;
- the size of the Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data;
- the Company expects to sell additional equity securities for cash to fund operations, capital expansion, mergers and acquisitions, which would have the effect of diluting the ownership positions of the Company's current shareholders;
- the Company will be reliant on information technology systems and may be subject to damaging cyber-attacks;
- the Company may be subject to breaches of security, or in respect of electronic documents and data storage, and may face risks related to theft and breaches of applicable privacy laws;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- in certain circumstances, the Company's reputation could be damaged;
- regulatory scrutiny of the Company's industry may negatively impact its ability to raise additional capital;
- there is no assurance that a market will continue to develop or exist for the Common Shares and or what the market price of the Common Shares will be;
- the Company will be subject to additional regulatory burden resulting from its public listing on the Exchange;
- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control;
- the Company is subject to uncertainty regarding Canadian legal and regulatory status and changes;
- the Company does not anticipate paying cash dividends; and
- there is no guarantee on the use of available funds by the Company.

The factors identified above are not intended to represent a complete list of the risks and factors that could affect the Company. Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled "Risk Factors" in this Prospectus. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "*Risk Factors*". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Upon becoming a reporting issuer, the Company intends to discuss in its quarterly and annual reports referred to as the Company's MD&A documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

All of the forward-looking information contained in this Prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. You should read this entire prospectus carefully, especially the "Risk Factors" section of this prospectus.

The Company: Newscope Capital Corporation is a corporation existing under the BCBCA. See "*Corporate Structure*".

Business of the Company: The Company is focused on drug repurposing with artificial intelligence. The Company's drug repurposing artificial intelligence platform combines multilayered processes for integrating millions of data points and performing machine learning to discover new uses of drugs. See "

Description of the Business".

On June 3, 2020, the Company and the securityholders of PharmaTher entered into the Share Exchange Agreement, pursuant to which the Company acquired all of the issued and outstanding common shares and warrants of PharmaTher in exchange for Common Shares and Warrants, respectively. As a result of the Acquisition, PharmaTher became a wholly-owned subsidiary of the Company and the business of PharmaTher became the business of the Company.

The Special Warrant Private Placement: Pursuant to the Special Warrant Private Placement, the Company issued 1,036,000 Special Warrants for gross proceeds of $93,600 on May 29, 2019. See "*Description of Securities*".

Issue Price: $0.10 per Special Warrant

Qualified Securities: This Prospectus is being filed to qualify the distribution of 1,036,000 Common Shares issuable upon the deemed conversion of 1,036,000 issued and outstanding Special Warrants.

Listing: The Company intends to list its Common Shares on the CSE under the trading symbol "DRAI" or such other symbol accepted by the CSE. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "*Description of Securities.*"

Available Funds and Principal Purposes: It is anticipated that the Company will available funds of approximately $1,621,000, based on the current assets and cash position as of July 17, 2020. Upon the Listing, the principal purposes for the foregoing available funds are anticipated to be as follows:

Principal Purposes	**Funds ($)**
General and administrative costs[(1)]	600,000
Estimated expense for listing on the CSE	100,000
Sales and marketing	100,000
Research and development[(2)]	600,000

Total use of proceeds	**1,400,000**
Unallocated funds (unaudited)	**221,000**

Notes:

(1) This figure is for a forecasted period of 12 months and is comprised of administrative expenses in the amount of approximately $100,000, operating and staff costs in the amount of approximately $300,000, and professionals' fees in the amount of approximately $200,000.

(2) This figure is for a forecasted period of 12 months and is comprised of the sponsored research agreement with UHN in the amount of $150,000, entered into to complete the development of panaceAI, the research agreement with NHRI in the amount of approximately $100,000, entered into to complete of pre-clinical stage testing for traumatic brain injury and stroke, and costs of general research and development of repurposed compounds in the amount of approximately $350,000, which will allow for potential clinical studies in the U.S. or Europe.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. For further details, see "*Use of Available Funds - Available Funds and Principal Purposes*".

The Company had negative cash flow from operating activities for the financial year ended May 31, 2020. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow. See "*Risk Factors – Negative Cash Flows From Operations*".

Management, Directors & Officers:

The Board of Directors of the Company consists of Fabio Chianelli, Dr. Bev Incledon, Christian Scovenna and Carlo Sansalone. The officers of the Company are Fabio Chianelli (CEO), Carmelo Marrelli (CFO) and Andrew Todd (Corporate Secretary). See "*Directors and Executive Officers*".

Selected Consolidated Financial Information:

Selected Pro Forma Financial Information

The following table contains certain unaudited pro forma consolidated financial information for the Company as at May 31, 2020, of the Company for the as at and for the financial year ended May 31, 2020, and PharmaTher for the period from incorporation on April 1, 2020 to May 31, 2020 and gives effect to the completion of the Acquisition. This information should be read together with the audited annual financial statements of the Company as at and for the financial year ended May 31, 2020 and the audited financial statements of PharmaTher as at and for the period from incorporation on April 1, 2020 to May 31, 2020 and the pro forma financial statements of the Company together with the accompanying notes which are included elsewhere in this Prospectus. The pro forma financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

	As at and for the year ended May 31, 2020 (unaudited) ($)
Total Assets	1,758,048
Total Liabilities	26,761
Total Equity	1,731,287

Selected Financial Information of Newscope Capital Corporation

The following selected financial information has been derived from and is qualified in its entirety by the financial statements of the Company for the period from incorporation to May 31, 2019 (audited) and the annual financial statements of the Company for the years ended May 31, 2020 (audited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in Schedule "A" of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

	As at and for the year ended May 31, 2020 (audited) ($)	**As at and for the period from incorporation on March 20, 2019 to May 31, 2020 (audited) ($)**
Total Assets	220,475	117,916
Total Liabilities	16,013	7,641
Total Equity	204,462	110,275
Revenue	-	-
Net Loss and Comprehensive Loss for the Period	282,605	7,184

Selected Financial Information of PharmaTher

The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements of PharmaTher for the period from incorporation on April 1, 2020 to May 31, 2020 and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the included in Schedule "B" of this Prospectus. All financial statements of PharmaTher are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of PharmaTher are denoted in Canadian Dollars.

	As at and for the period from incorporation on April 1, 2020 to May 31, 2020 (audited) ($)
Total Assets	390,433
Total Liabilities	10,748
Total Equity	379,685
Revenue	-
Net Loss and Comprehensive Loss for the Period	23,816

See "*Selected Financial Information and Management's Discussion and Analysis*."

Risk Factors: Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, the market for repurposing psychedelic-derived drugs may not develop as expected, limited operating history, additional capital requirements, and competition. For a detailed description of these and other risks, please see "*Risk Factors*".

CORPORATE STRUCTURE

Name and Incorporation of the Company

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 20, 2019 under the name "Dragon Dynamic Cyber Security 2.0 Corporation" and subsequently filed a notice of alteration of its articles in order to change its name to "Newscope Capital Corporation" on May 7, 2019.

The registered office of the Company is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7 and its head office is located at 1100 – 1111 Melville Street, Vancouver, British Columbia V6E 3V6.

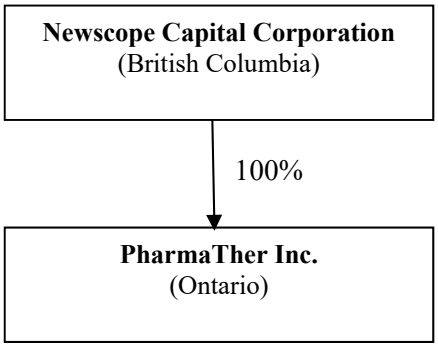
Name and Incorporation of PharmaTher

PharmaTher was incorporated under the *Business Corporations Act* (Ontario) on April 1, 2020.

The registered and head office of PharmaTher is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

Inter-corporate Relationships

Upon completion of the Acquisition, PharmaTher became a wholly-owned subsidiary of the Company.



DESCRIPTION OF THE BUSINESS

Overview

The principal business carried on and intended to be carried on by the Company is the repurposing of drugs with artificial intelligence.

Prior to completion of the Acquisition, the Company had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement.

The Company was incorporated on March 20, 2019 pursuant to the BCSC and prior to the completion of the Acquisition had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement. The sole business of the Company from the date of its incorporation until executing the Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Acquisition, the Company did not have a business, business operations or any material assets other than cash.

Upon completion of the Acquisition, the business of PharmaTher became the business of the Company.

The Company's drug repurposing platform, panaceAI™, combines multilayered processes and systems for integrating millions of data points and performing machine learning to discover new uses of psychedelic-derived medicines and

approved drugs from the U.S. Food and Drug Administration (the "**FDA**"), European Medicines Agency and Japan's Pharmaceuticals and Medical Devices Agency. The Company's product pipeline focuses on infectious diseases and rare disorders in pain and central and peripheral nervous systems, which target attractive regulatory incentives for expedited approvals, such as the FDA 505(b)(2) regulatory pathway and orphan drug, fast track and breakthrough designations. In addition, the Company actively seeks licensing, acquisition or partnership opportunities from industry and academia.

Development of panaceAI™

The Company is advancing research and development through the discovery of drug repurposed candidates with panaceAI™, the Company's drug repurposing platform. The Company has entered into a sponsored research partnership with University Health Network ("**UHN**") for the development of panaceAI™. The current focus of panaceAI™ is finding effective uses of drugs for rare disorders, infectious diseases and effectives uses of psychedelic-derived medicines. Under the agreement, the research team at UHN will build out panaceAI™ to serve as a software suite that leverages machine learning to curate and rank the most relevant drug interactions, binding affinities, drug-disease similarities and structural comparison tools to make data-driven drug predictions. panaceAI™ aims to serve as the Company's product pipeline engine and upon further validation, panaceAI™ will be commercialized to acquire partnership opportunities with biotechnology and pharmaceutical companies globally.

Development of Psychedelic-Derived Medicines

Psychedelics, such as psilocybin, act on the serotonin (5-hydroxytryptamine; 5-HT) 2A receptor and have gained clinical interest as potential therapeutic solutions to address difficult to treat neuropsychiatric disorders such as depression, posttraumatic stress disorder ("**PTSD**") and addiction. The FDA designated both 3,4-methylenedioxymethamphetamine-assisted psychotherapy for PTSD and psilocybin for treatment-resistant depression as 'breakthrough therapies'. Non-profit institutions such as Multidisciplinary Association for Psychedelic Studies, Usona Institute and the Heffter Research Institute as well as academia institutes with dedicated psychedelic and consciousness research centres such as Johns Hopkins University and Imperial College London are also currently focused on the development and clinical research of psychedelic-derived medicines.

The Company is exploring the use of psilocybin for the potential treatment of traumatic brain injury (i.e. concussion) and stroke. The Company has entered into a service agreement with the National Health Research Institutes, Taiwan ("**NHRI**") to conduct pre-clinical research to validate psilocybin in the potential treatment for traumatic brain injury and stroke.

The Company is exploring the use of bioengineered artificial human brain tissue (cerebral organoids) that mirror many aspects of the human brain. These tools allow us to explore the structural and molecular changes serotonin (5-hydroxytryptamine; 5-HT) 2A receptors, such as psilocybin, can induce in neural tissue and will help generate proprietary data to expand the Company's product pipeline in psychedelic-derived medicines, file provisional patents, obtain orphan drug designations and provide new data for panaceAI™ to learn and integrate into its datasets.

The Company has filed two filed provisional patents for panaceAI™, titled Method of Identifying New Medical Indications for Pharmaceuticals (USPTO No. 63/011,471) and neurological disorders, titled Use of Psilocybin in the Treatment of Neurological Brain Injury and Migraines (USPTO No. 63/011,493).

Stated Business Objectives and Competitive Conditions

The pharmaceutical industry is facing a number of significant pressures, such as decreasing research and development productivity, increasing drug development costs, increasing patent protection loss of branded drugs, high regulatory barriers, evolving payer requirements, lower return on investment, generic drug competition and post-market clinical trial result failures due to safety concerns. Pharmaceutical companies are being forced to find more efficient and cost effective ways to improve their research and development strategies. Drug repurposing is a strategy for identifying new indications for approved or investigational drugs that are outside the scope of the original medical uses. It is often viewed as a lower-cost method for drug commercialization as it is based on already-approved drugs. Drug repurposing has a number of research and development advantages such as reduced time to market, reduced development cost, and the improved probability of success.

The Company's business objective is to develop, validate and commercialize panaceAI™ for its internal drug discovery and development programs and for partnership opportunities with life sciences companies. In addition, the Company aims to advance its product development programs from pre-clinical stage to human clinical stage (i.e. phase II clinical trials) and based on the success of such clinical trials, the Company plans to engage in licensing, partnership and/or acquisition discussions with life sciences companies that have the resources to complete the development and commercialization of the Company's products.

The Company intends to use its available funds to complete development of panaceAI™, conduct research and development of its product development programs and for general working capital. See "*Use of Available Funds*".

The Company competes with other entities in finding uses for and the repurposing of psychedelic-derived drugs. As a result of this competition, the majority of which is with companies with greater financial resources, the Company may be unable to successfully discover, identify and license suitable product candidates. The Company also competes for financing with other psychopharmacological and artificial intelligence companies, many of whom have more advanced businesses. The Company's competitors include multinational pharmaceutical companies and specialized biotechnology companies, universities, and other research institutions. The Company will face the challenge of competing with companies of varying sizes and at varying stages of licensing and levels of development of related products in the pharmaceutical industry. Other companies may develop products targeting the same conditions that the Company may be focusing on, and such competing products may be superior to the Company's potential products. More established companies may have a competitive advantage over the Company due to their greater size, capital resources, cash flows, and institutional experience. Compared to the Company, many of its competitors may have significantly greater financial, technical, and human resources at their disposal. Due to these factors, competitors may have an advantage in marketing their approved products and may obtain regulatory approval of their product candidates before the Company can, which may limit the Company's ability to develop or commercialize its product candidates. Competitors may also develop drugs that are safer, more effective, more widely used, and less expensive, and may also be more successful in manufacturing and marketing their products. These advantages could materially impact the Company's ability to develop and commercialize its products. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of the Company's competitors. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties also compete with the Company in recruiting and retaining qualified personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the Company's programs. There is no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be favourable to the Company. See "*Risk Factors*".

HISTORY

Financings

On March 20, 2019 the Company completed a private placement (the "**Founder Round**") by issuing 3,150,000 Common Shares at a price of $0.01 per Common Share for aggregate gross proceeds of $31,500.

On May 29, 2019, the Company completed the Special Warrant Private Placement issuing 1,036,000 Special Warrants, at a price of $0.10 per Special Warrant, with each Special Warrant automatically converting into one Common Share (the "**Special Warrant Shares**") of the Company at no additional cost on the Special Warrants Exercise Date. Aggregate gross proceeds from the Special Warrant Private Placement were equal to $93,600. Of the 1,036,000 Special Warrants, 100,000 Special Warrants were issued to Vested Technology Corp., a start-up equity crowdfunding portal, as compensation.

On December 20, 2019, the Company completed a private placement issuing 2,000,000 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $200,000. The Company also issued an aggregate of 85,000 common share purchase warrants as compensation to registered dealers involved in the private placement. Each compensation warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, until December 20, 2021.

On January 27, 2020, the Company completed a private placement issuing 1,950,000 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $195,000. The Company also issued an aggregate of 30,000 common share purchase warrants as compensation to registered dealers involved in the private placement. Each compensation warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, until January 27, 2022.

On July 8, 2020, the Company completed the closing of the 2020 Private Placement by issuing 10,000,000 Common Shares, at a price of $0.10 per Common Share, for aggregate gross proceeds of $1,000,000. The Company also issued an aggregate of 680,000 Broker Warrants as compensation to registered dealers involved in the 2020 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, until July 8, 2022.

Acquisition of PharmaTher

On June 3, 2020, the Company entered into the Share Exchange Agreement with PharmaTher, pursuant to which the Company acquired all of the issued and outstanding common shares and warrants of PharmaTher in consideration for the issuance of a total of 47,240,000 Common Shares and 1,007,200 Warrants to shareholders and warrantholders of PharmaTher in proportion with their respective interest in PharmaTher.

USE OF AVAILABLE FUNDS

Funds Available and Principal Purposes

It is anticipated that the Company will available funds of approximately $1,621,000, based on the current assets and cash position as of July 17, 2020.

Upon the Listing, the principal purposes for the foregoing available funds are anticipated to be as follows:

Principal Purposes	Funds ($)
General and administrative costs[(1)]	600,000
Estimated expense for listing on the CSE	100,000
Sales and marketing	100,000
Research and development[(2)]	600,000
Total use of proceeds	**1,400,000**
Unallocated funds (unaudited)	**221,000**

Notes:

(1) This figure is for a forecasted period of 12 months and is comprised of administrative expenses in the amount of approximately $100,000, operating and staff costs in the amount of approximately $300,000, and professionals fees in the amount of approximately $200,000.

(2) This figure is for a forecasted period of 12 months and is comprised of the sponsored research agreement with UHN in the amount of $150,000, entered into to complete the development of panaceAI, the research agreement with NHRI in the amount of approximately $100,000, entered into to complete of pre-clinical stage testing for traumatic brain injury and stroke, and costs of general research and development of repurposed compounds in the amount of approximately $350,000, which will allow for potential clinical studies in the U.S. or Europe.

The Company used the net proceeds from the Special Warrant Private Placement to pursue the identification and evaluation of assets or businesses with a view to completing an acquisition.

It is anticipated that the Company will have sufficient cash available upon Listing to execute its business plan and to pay its operating and administrative costs for at least twelve months after the completion of the Listing.

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The CFO of the Company will be responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

The Company had negative cash flow from operating activities for the financial year ended May 31, 2020. The Company cannot guarantee it will have a cash flow positive status from operating activities in future periods. As a result, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow. See "*Risk Factors –Negative Operating Cash Flow*".

Business Objectives and Milestones

The Company's business objective is to develop, validate and commercialize panaceAI™ for its internal drug discovery and development programs and for partnering opportunities with life sciences companies. Also, the Company aims to advance its product development programs from pre-clinical stage to human clinical stage (i.e. phase II clinical trials) and based on the success of the clinical trials, the Company plans to engage in licensing, partnership and/or acquisition discussions with life sciences companies that have the resources to complete the development and commercialization of the Company's products.

Within the next 12 months, the Company aims to have a well-balanced product pipeline in pre-clinical and human clinical testing phases, complete panaceAI™ for commercialization, enter into partnerships with life sciences companies in respect of panaceAI™, obtain FDA orphan drug designations and obtain licensing of its products and intellectual properties.

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information of Newscope Capital Corporation

The following selected financial information has been derived from and is qualified in its entirety by the financial statements of the Company for the period from incorporation to May 31, 2019 (audited), annual financial statements of the Company for the year ended May 31, 2020 (audited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in Schedule "A" of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

	As at and for the year ended May 31, 2020 (audited) ($)	As at and for the period from incorporation on March 20, 2019 to May 31, 2019 (audited) ($)
Total Assets	220,475	117,916
Total Liabilities	16,013	7,641
Total Equity	204,462	110,275
Revenue	-	-
Net Loss and Comprehensive Loss for the Period	284,247	7,184

Selected Financial Information of PharmaTher

The following selected financial information has been derived from and is qualified in its entirety by the financial statements of PharmaTher for the period from incorporation on April 1, 2020 to May 31, 2020 (audited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in Schedule "B" of this Prospectus. All financial statements of PharmaTher are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of PharmaTher are denoted in Canadian Dollars.

	As at and for the period from incorporation on April 1, 2020 to May 31, 2020 (audited) ($)
Total Assets	390,433
Total Liabilities	10,748
Total Equity	379,685
Revenue	-
Net Loss and Comprehensive Loss for the Period	23,816

Selected Pro Forma Financial Information

The following table contains certain unaudited *pro forma* consolidated financial information for the Company as at and for the financial year ended May 31, 2020 and of PharmaTher as at and for the period from incorporation on April 1, 2020 to May 31, 2020 and gives effect to the completion of the Acquisition. This information should be read together with the audited annual financial statements of the Company as at and for the financial year ended May 31, 2020 and the audited financial statements of PharmaTher as at and for the period from incorporation on April 1, 2020 to May 31, 2020 and the and the pro forma financial statements of the Company together with the accompanying notes which are included as Schedule "C" this Prospectus. The pro forma financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the *pro forma* financial statements of the Company are denoted in Canadian Dollars.

	As at May 31, 2020 (unaudited) ($)
Total Assets	1,758,048
Total Liabilities	26,761
Total Equity	1,731,287

Management's Discussion and Analysis

The MD&A of the Company from the date of incorporation on March 20, 2019 to May 31, 2019, and for the fiscal year ended May 31, 2020, are attached to this Prospectus as Schedule "A".

The MD&A of PharmaTher from the date of incorporation (April 1, 2020) to May 31, 2020 is attached to this Prospectus as Schedule "B".

The MD&A of each of the Company and PharmaTher should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus. Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. See "*Forward-Looking Information*" and "*Risk Factors*".

DESCRIPTION OF SECURITIES

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 64,340,000 Common Shares are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares, to receive any dividend declared by the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of our property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

The Company intends to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

The Company is not currently a reporting issuer in any province or territory of Canada.

Special Warrants

On May 29, 2019, the Company closed the Special Warrant Private Placement and issued 1,036,000 Special Warrants. As of the Special Warrant Exercise Date, the Special Warrants will automatically convert into Special Warrant Shares, pursuant to the automatic conversion provision of the Special Warrants.

Upon conversion of the Special Warrants into Special Warrant Shares, holders are entitled to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides

that if a holder of a Special Warrant who acquires another security of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the Special Warrant Private Placement, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

Options

The Board has approved an Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward our long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. The Option Plan is administered by the Board and 375,000 Options are currently outstanding, with each Option convertible into a Common Share of the Company at a price of $0.10 per Common Share. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options. As of the date of this Prospectus, there are 375,000 outstanding options to purchase Common Shares under the Option Plan. See "*Options to Purchase Securities*".

CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at May 31, 2019[1][2]	Outstanding as at May 31, 2020, 2020[1][2]	Outstanding as at the date of this Prospectus[1][2]
Common Shares	Unlimited	3,150,000	7,100,000	64,340,000

Notes:

(1) See "*Prior Sales*".

(2) On an undiluted basis.

Fully Diluted Share Capitalization

Common Shares	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	64,340,000	89.3%
Common Shares reserved for issuance upon conversion of Special Warrants	1,036,000	1.4%
Common Shares reserved for issuance upon exercise of Warrants	1,122,200	1.6%
Common Shares reserved for issuance upon exercise of Broker Warrants	680,000	0.9%
Common Shares reserved for issuance upon exercise of Options	4,875,000	6.8%
Total Fully Diluted Share Capitalization after the Listing	**72,053,200**	**100%**

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table sets out information about the Options issued and outstanding pursuant to the Option Plan as of the date hereof:

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise Price	Expiry Date
All past officers and directors of the Company as a group (3 persons)	Common Shares	375,000	$0.10	November 19, 2021
All current officers, directors and consultants of the Company as a group (12 persons)	Common Shares	4,500,000	$0.10	July 16, 2025

Option Plan

The Option Plan was adopted by the Board on November 19, 2019. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its Common Shares. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Option Plan will be administered by the Board or a committee of the Board, either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the Board may from time to time designate.

The exercise price of any Options granted under the Option Plan shall be determined by the Board, but may not have an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any Options granted under the Option Plan may not exceed ten years. Options granted under the Option Plan are not to be transferable or assignable. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 60 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, Options granted to such employee, consultant or management company employee under the Option Plan will expire 60 days after such individual or entity ceases to act in that capacity in relation to the Company.

PRIOR SALES

The following table summarizes the sale of securities of the Company in the 12 months prior to the date of this Prospectus:

Date of Issue	Type of Security	Number of Securities Issued	Issue Price per Security
July 8, 2020	Common Shares	10,000,000	$0.10
January 27, 2020	Common Shares	1,950,000	$0.10

Date of Issue	Type of Security	Number of Securities Issued	Issue Price per Security
December 20, 2019	Common Shares	2,000,000	$0.10

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this Prospectus, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Name	Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Fabio Chianelli	Common Shares	15,250,000	23.7%
Carlo Sansalone	Common Shares	1,000,000	1.55%

Notes:

(1) These Common Shares are held under the Escrow Agreements in accordance with NP 46-201. The escrow agent is Computershare Trust Company of Canada.

(2) Based on 64,340,000 Common Shares issued and outstanding as at the date of this Prospectus.

Escrowed Securities

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date,

the Company meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date. The Company does not expect to become an established issuer within 18 months of the Listing Date.

Pursuant to the terms of the Escrow Agreement, 16,250,000 Common Shares will be held in escrow on the Listing Date.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, other than as set out below, no person directly or indirectly beneficially owns, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares as at the date of this Prospectus.

Name and Residence of Securityholder	Number and Percentage of Common Shares
Fabio Chianelli Toronto, ON	15,250,000 (23.7%)

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly[1]
Fabio Chianelli[4] Age 43 Woodbridge, ON Director and CEO	June 2020	President of Revive Therapeutics Ltd. (July 2016 to December 2019) CEO of Revive Therapeutics Ltd. (January 2014 to June 2016)	15,250,000 (21.2%)
Carmelo Marrelli[5] Age 49 Toronto, ON CFO	June 2020	President of Marrelli Support Services Inc. (February 2009 to present)	Nil
Dr. Beverly J. Incledon[2][3][6] Age 53 George Town, Cayman Islands Director	June 2020	Executive VP, Research & Development of Ironshore Pharmaceuticals and Development (January 2014 to present)	Nil

Name and Municipality of Residence and Position with the Company	Director/Office r Since	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly[(1)]
Christian Scovenna[(2)(3)(7)] Age 47 Etobicoke, ON Director	June 2020	President and Chief Operation Officer of Graph Blockchain Inc. (March 2020 to present)	Nil
Carlo Sansalone[(2)(3)(8)] Age 43 Vaughan, ON Director	June 2020	President of Sanscon Construction Ltd. (January 2009 to present)	1,000,000 (1.4%)

Notes:

(1) Percentage is based on 72,053,200 Common Shares issued and outstanding as of the date of this Prospectus on a fully-diluted basis. See "*Options to Purchase Securities*".
(2) Independent director.
(3) Member of the Audit Committee.
(4) Mr. Chianelli also holds 400,000 options to acquire Common Shares at a price per share of $0.10 until July 16, 2025.
(5) Mr. Marrelli also holds 300,000 options to acquire Common Shares at a price per share of $0.10 until July 16, 2025.
(6) Dr. Incledon also holds 350,000 options to acquire Common Shares at a price per share of $0.10 until July 16, 2025.
(7) Mr. Scovenna also holds 300,000 options to acquire Common Shares at a price per share of $0.10 until July 16, 2025.
(8) Mr. Sansalone also holds 300,000 options to acquire Common Shares at a price per share of $0.10 until July 16, 2025.

The term of office of the directors expires annually at the time of the Company's next annual general meeting. As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 16,250,000 Common Shares of the Company, which is equal to 22.6% of the Common Shares issued and outstanding as at the date hereof on a fully-diluted basis.

Background

The following is a brief description of each of the directors and executive officers of the Company, including their names, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Fabio Chianelli – Director and CEO

Mr. Chianelli has 20 years of experience with specialty life sciences companies. He was the founder and President of Revive Therapeutics Ltd. (CSE: RVV). From January 2000 to January 2012, Mr. Chianelli held senior roles in investor relations, business development, and marketing and sales with Generex Biotechnology Corporation. He also served as a business development consultant to Titan Medical Inc., an issuer listed on the Toronto Stock Exchange ("**TSX**"), from July 2008 to February 2013. Mr. Chianelli received his Bachelor of Commerce from Ryerson University.

Carmelo Marrelli – CFO

Mr. Marrelli is the principal of The Marrelli Group of Companies. He is a Chartered Professional Accountant (CPA, CA, CGA) and a member of the Institute of Chartered Secretaries and Administrators, a professional body that certifies corporate secretaries. He has a Bachelor of Commerce degree from the University of Toronto. Mr. Marrelli acts as the chief financial officer to a number of issuers on the TSX, TSX Venture Exchange and CSE, as well as non-listed companies, and as a director of select issuers.

Dr. Beverly J. Incledon – Director

Dr. Incledon serves as the Company's Executive Vice President, Research & Development. Dr. Incledon has over 20 years of pharmaceutical industry experience encompassing drug discovery, product development, pre-approval inspections, development quality, project management, method/technology transfer, process improvement, manufacturing troubleshooting, new development facility start-up, and research on novel drug delivery technology. Dr. Incledon was a Post-Doctoral Fellow at Cornell University and obtained his PhD degree in Biophysics and Bachelor of Science (Honors) in Applied Biochemistry with a Minor in Biomedical Technology from the University of Guelph.

Christian Scovenna – Director

Mr. Scovenna is a highly experienced C-Suite Executive with over 13 years of capital market experience working with both private and public microcap companies in Canada. He has held numerous directorships with publicly-traded resource, pharmaceutical and cannabis companies and has experience structuring deals and acquisitions and raising capital. In his previous engagement with Mojave Jane Brands Inc. (formerly, High Hampton Holdings Corp.) (CSE: JANE), he was instrumental in building the company as one of the original founders and was a key member of the management team as interim CEO and Senior VP Corporate Finance while also serving on the board as a director. Mr. Scovenna currently serves as Director for Revive Therapeutics (CSE: RVV.C), Pasofino Gold Limited (formerly Enforcer Gold Corp.) (TSXV: VEIN) and Tevano Payment Systems as VP Of Corporate Development.

Carlo Sansalone – Director

Mr. Sansalone is President at Sanscon Construction Ltd. He is on the Board of Directors at Revive Therapeutics Ltd. (CSE: RVV.C). Mr. Sansalone received his undergraduate degree from Ryerson University.

Corporate Cease Trade Orders or Bankruptcies

To the Company's knowledge, no director or executive officer or promoter of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, CEO or CFO of any company, including the Company, that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or

(b) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

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

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

Bankruptcies

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during the fiscal year ended May 31, 2020, the Company's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6 Statement of Executive Compensation ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means each CEO, each CFO and each of the Company's three most highly compensated executive officers, other than the CEO and the CFO, who were serving as executive officers as at the end of the Company's most recently completed financial year ended May 31, 2020 and whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the Board. With a view to minimizing its cash expenditures not directed at further developing the Company's artificial intelligence platform and advancing the Company's progress on identifying product candidates,

the emphasis in compensating the Named Executive Officers shall be the grant of incentive Options under the Option Plan set forth below. The type and amount of future compensation to be paid to NEOs and directors has not been determined and the Board has not considered the implications of the risks associated with the compensation policies and practices. The Company has not considered the implications of the risks associated with the Company's compensation policies and practices. Neither NEOs nor directors are permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities offered as compensation.

As of the date of this Prospectus, the Board has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Issuer. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

The Company did not pay any cash compensation to any of its NEOs or directors since incorporation to the fiscal year ended May 31, 2020.

Option Based Awards and Other Compensation Securities

On November 19, 2019, the Company implemented the Option Plan in order to provide effective incentives to directors, officers and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of Option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

On November 19, 2019, the Company granted 375,000 Options to certain former directors of the Company and Elysian Management Ltd. (a management consulting company retained to assist the Company with its acquisition strategy):

Compensation Securities							
Name and Position	**Type of compensation security**	**Number of compensation securities and percentage of class**	**Date of issue or grant**	**Issue conversion of exercise price**	**Closing price of security on date of grant**	**Closing price of security at year-end**	**Expiry Date**
Edward Ierfino Director and Officer[(1)]	Options	125,000 (33%)	November 19, 2019	$0.10	N/A	N/A	November 19, 2021
Tris Coffin Director and Officer[(1)]	Options	125,000 (33%)	November 19, 2019	$0.10	N/A	N/A	November 19, 2021
Elysian Management Ltd. Consultant	Options	125,000 (33%)	November 19, 2019	$0.10	N/A	N/A	November 19, 2021

Notes:

(1) In connection with the Acquisition, Edward Ierfino and Tris Coffin resigned as directors of the Company effective June 10, 2020.

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities.

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of Options and reimbursement of expenses incurred by such persons acting as directors of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, no director or executive officer of the Company or any associate thereof, is indebted to the Company or its subsidiary, or has been at any time during the preceding financial year. None of the Company's directors, executive officers, employees, former directors, former executive officers or former employees, or of its subsidiary, and none of their respective associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company or its subsidiary or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or its subsidiary.

AUDIT COMMITTEE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors. Mr. Carlo Sansalone is the chair of the audit committee.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "D" to this Prospectus.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Director	Independent[(1)]	Financially literate[(2)]
Dr. Beverly J. Incledon	Yes	Yes
Christian Scovenna	Yes	Yes
Carlo Sansalone	Yes	Yes

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting. See "*Directors and Executive Officers*" for further details.

For a summary of the experience and education of the Audit Committee members see "*Directors and Executive Officers*".

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

For the period from incorporation on March 20, 2019 to May 31, 2019 ("**Fiscal 2019**") and for the financial year ended May 31, 2020 ("**Fiscal 2020**"), the Company incurred the following fees by the Company's external auditor, Clearhouse LLP.

	Fiscal 2020 ($)	**Fiscal 2019 ($)**
Audit fees[(1)]	6,000	1,500
Audit related fees[(2)]	-	-
Tax fees[(3)]	-	-
All other fees[(4)]	-	-
Total fees paid	**6,000**	**1,500**

Notes:

(1) Fees for audit service on an accrued basis.
(2) Fees for assurance and related services not included in audit service above.
(3) Fees for tax compliance, tax advice and tax planning.

(4) All other fees not included above.

Exemption

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services).

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and will be charged with the day-to-day management of the Resulting Issuer. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. The Company's corporate governance practices are summarized below:

Board of Directors

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the four directors on the Board, one will not be considered independent as a result of his relationship with the Company. The Board has not adopted a director interlock policy, but is keeping informed of other public directorships held by its members.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of four directors: Fabio Chianelli, Dr. Bev Incledon, Christian Scovenna and Carlo Sansalone. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Fabio Chianelli is not independent as he is the CEO of the Company.

Directorships

Currently, the following directors are also directors of the following other reporting issuers:

Christian Scovenna – Revive Therapeutics Ltd. and Pasofino Gold Limited

Orientation and Continuing Education

The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the

Company, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Company's operations.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board does not have a nominating committee. The Board will consider its size each year when it passes a resolution determining the number of directors to be appointed at each annual general meeting of shareholders. The Board determined that the configuration of four directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience. The Board will evaluate new nominees to the Board, although a formal process has not been adopted. The nominees will generally be the result of recruitment efforts by the Board, including both formal and informal discussions among Board members, the Chairman of the Board and CEO. The Board monitors but will not formally assess the performance of individual Board members or committee members or their contributions.

Compensation

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

Other than the Audit Committee, the Company has no other standing committees. Following the Listing, the Board will consider addition of other committees as appropriate.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. The Board anticipates that it will not conduct any formal evaluation of the performance and effectiveness of the members of the Board. The Board as a whole or any committee of the Board, however, will consider the effectiveness and contribution of the Board, its members and the Audit Committee on an ongoing basis. The proposed directors and the independent directors of the Company will be free to discuss specific situations from time to time among themselves and/or with the CEO and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Furthermore, the management and directors of the Company will communicate with shareholders on an ongoing basis, and shareholders will be regularly consulted on the effectiveness of Board members and the Board as a whole.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

Risks Relating to the Company's Business

Limited Operating History

The Company has a limited operating history in its industry upon which its business and future prospects may be evaluated. The Company is subject to all of the business risks and uncertainties associated with a new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues and the risk that the Company will not achieve its operating goals. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

Actual Financial Position and Results of Operations May Differ from Expectations of Management

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Psychedelics Regulatory Risk

The psychedelic therapy and psychopharmalogical industries are new and emerging industries with substantial existing regulations and uncertainty as to future regulations. There can be no guarantee related to the future legal status of psychedelic compounds in Canada, the United States or other jurisdictions. The jurisdictional treatment of the substances would have a significant impact on the ability of the Company to continue operating or expand its business. The Company's prospects and reputation may also be impacted by developments of these laws.

Inability to Identify, Discover or License Product Candidates and Reliance on Third Parties

The success of the Company's business depends on its ability to utilize its artificial intelligence platform to identify and evaluate new medical indications for psychedelic-derived pharmaceuticals and license such pharmaceuticals. The Company's research programs and artificial intelligence platform may fail to yield product candidates and the Company may fail to license identified product candidates for a number of reasons, including but not limited to the following:

- the Company's research process may be unsuccessful in identifying new uses for the psychedelic-derived drugs evaluated and product candidates suitable for repurposing;
- the Company may not be able or willing to assemble sufficient resources to identify or discover additional product candidates;
- the Company may not succeed in partnering with third parties to advance identified product candidates to the experimental research stage of drug repurposing;
- the Company's identified product candidates may not succeed in pre-clinical or clinical testing;
- pharmaceutical companies may develop alternatives that render the Company's identified product candidates obsolete or less attractive;
- the market for an identified product candidate may change during the Company's program so that such a product candidate may not be attractive to pharmaceutical companies;
- an identified product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and

- an identified product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Company may be forced to abandon its efforts to identify, discover or license product candidates, which would have a material adverse effect on its business and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

In addition, the Company does not manufacture any products and currently relies, and intends to rely, on third parties to manufacture the products that the Company identifies as product candidates. The Company's research, development and commercialization of its product candidates could be stopped or delayed if any such third party fails to provide sufficient quantities of any products, fails to provide products at acceptable quality levels or prices or fails to achieve satisfactory regulatory compliance. If any of these events occurs, the Company may be forced to abandon its research, development and commercialization programs in respect of certain or all products, which would have a material adverse effect on its business and could potentially cause the Company to cease operations.

No Assurance of Profits or Revenues

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company as a Going Concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

Intellectual Property and Licenses

The Company's success is heavily dependent on the Company's intangible properties and technologies, and will depend in part on its ability to protect and maintain its intellectual property rights. No assurance can be given that the patents with respect to the Company's artificial intelligence technology the Company will not be challenged, invalidated, infringed or circumvented, nor that the patents will provide competitive advantages to the Company. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licences have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with any such licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

Product Liability

The risk of product liability is inherent in the research, development, marketing and use of pharmaceutical products. Product candidates and products that the Company may license or sell in the future may cause, or may appear to have

caused, injury or dangerous drug reactions, and expose the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate collaborators or others selling such products. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

- decreased demand for the Company's services or willingness to partner with the Company due to negative public perception;
- injury to the Company's reputation;
- initiation of investigations by regulators;
- costs to defend or settle related litigation;
- a diversion of management's time and resources;
- substantial monetary awards to patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues from product sales; and
- the inability to license or sell any of the Company's identified product candidates.

The insurance coverage of any insurance obtained by the Company may not be sufficient to reimburse the Company for any expenses or losses it may suffer. Insurance coverage is becoming increasingly expensive, and, in the future, the Company, or any of its collaborators, may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts or at all to protect against losses due to liability. Even if the Company's agreements with any future collaborators entitle it to indemnification against product liability losses, such indemnification may not be available or adequate should any claim arise. If a successful product liability claim or series of claims is brought against the Company for uninsured liabilities or in excess of insured liabilities, its assets may not be sufficient to cover such claims and its business operations could be impaired.

Should any of the events described above occur, this could have a material adverse effect on the Company's business, financial condition and results of operations.

Undeveloped Medical Research of Psilocybin and Psychedelic Compounds

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psilocybin- and psychedelic-derived compounds remains in early stages. There have been relatively few clinical trials on the benefits of psilocybin and psychedelic-derived pharmaceuticals. Future research studies and clinical trials may draw opposing conclusions to those stated in this Prospectus or reach negative conclusions regarding the medical benefits, viability, safety, efficacy and dosing or other facts and perceptions related to psilocybin and psychedelic-derived pharmaceuticals, which could have a material adverse effect on the demand for the Company's products or services with the potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Unproven Market for Products and Technologies

The Company believes that the anticipated market for its potential products and technologies will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and technologies and the degree of commercial viability of the potential product candidates identified by the Company's artificial intelligence platform. Even when product candidates are successfully identified, the Company's ability to generate significant revenue depends on the acceptance of such identified product candidates by the Company's potential partners and pharmaceutical companies. The Company cannot be sure that its products and

technologies or any identified product candidates will achieve the expected market acceptance and demand. Any factors preventing or limiting the market acceptance of the Company's products and technologies or any identified product candidates for licensing could have a material adverse effect on the Company's business, results of operations, and financial condition.

Because the psychedelics industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Publicity or Consumer Perception

The Company believes the psilocybin and psychedelic-derived pharmaceuticals industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the compounds derived from mushrooms. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to psilocybin and psychedelic-derived pharmaceutical markets or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's services. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company and the demand for the Company's services. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of psilocybin or other mushroom derived compounds in general, or other negative effects or events related to medications and other products with mushroom derived compounds included in them, could have such a material adverse effect.

Changes to Patent Law

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical and technological processes in Canada and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize the Company's products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

Enforcement of Intellectual Property in Other Jurisdictions

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This risk is exacerbated for the Company because it expects that identified product candidates may be licensed or used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.

Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the US, and foreign countries may affect the Company's ability to obtain adequate protection for its technology and the enforcement of its intellectual property.

Need for Additional Financing

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects

for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Reputational Damage in Certain Circumstances

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Internal Controls over Financial Reporting

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Difficulties with Forecasts

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the psychedelic-derived pharmaceuticals industry. A failure in the demand for its products and services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Retention and Acquisition of Management and Skilled Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Public Health Crises

The Company may be adversely affected by public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of our control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities, interest rates, credit ratings, credit risk and inflation.

On January 30, 2020, the World Health Organization declared the outbreak or COVID-19 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. To date, the Company has not been materially adversely impacted by the outbreak. However, a prolonged continuance of this public health crisis, an increase in its breadth or in its overall severity, could adversely affect our workforce and ability to operate generally as well as cause significant investment decisions to be delayed or postponed. A prolonged continuance of this public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit, as well as 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.. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom we do business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Regulatory Compliance Risks

Achievement of the Company's business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. The Company may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the

Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Risks Relating to the Common Shares

No Established Market, Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of companies with a small market capitalization have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally, as well as market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, once listed on the Exchange, to be delisted, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price 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 of the Common Shares will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial purchase price.

Dividends

The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Additional Regulatory Burden from Listing

Prior to the Listing, the Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the Exchange or any other stock exchange. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, the Company cannot assure purchasers of Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

PROMOTER

Fabio Chianelli, CEO and a director of the Company, may be considered to be a Promoter of the Company in that he took the initiative in founding and organizing the current business of the Company. Mr. Chianelli is the registered and beneficial owner of 15,250,000 Common Shares, which is equal to 21.2% of the Common Shares issued and outstanding as at the date hereof on a fully-diluted basis.

LEGAL PROCEEDINGS

Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

(a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

(b) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth below, from incorporation on March 20, 2019 to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company: (a) any director or executive officer of the Company; (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

In connection with the arm's length acquisition of PharmaTher Inc., Fabio Chianelli, the CEO and a director of the Company, was one of the vendors pursuant to the Share Exchange Agreement between the Company and the securityholders of PharmaTher. At the time, Mr. Chianelli was not a director, officer or insider of the Company.

In connection with the arm's length acquisition of PharmaTher Inc., Carlo Sansalone, a director of the Company, was one of the vendors pursuant to the Share Exchange Agreement between the Company and the securityholders of PharmaTher. At the time, Mr. Sansalone was not a director, officer or insider of the Company.

AUDITORS

The auditors of the Company are Clearhouse LLP, having an address at Suite 527 - 2560 Matheson Blvd E, Mississauga Ontario, L4W 4Y9. Such firm is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Computershare Trust Company of Canada at its principal office at 510 Burrard St., 3rd Floor, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from its incorporation to the date of this Prospectus:

- Sponsored Research Agreement between UHN and PharmaTher dated June 1, 2020 for the development and commercialization of panaceAI™;
- Service Agreement between NHRI and PharmaTher effective June 30, 2020 to conduct the "Psilocybin Studies in Traumatic Brain Injury and in Stroke" test; and
- the Share Exchange Agreement.

EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- Clearhouse LLP, is the external auditor of the Company and reported on the Company's audited financial statements for the period from incorporation on March 20, 2019 to May 31, 2019 and for the year ended May 31, 2020, attached as Schedule "A"; and
- Clearhouse LLP is the external auditor of PharmaTher and reported on PharmaTher's audited financial statements for the period from incorporation on April 1, 2020 to May 31, 2020, attached as Schedule "B".

To the knowledge of management of the Company, as of the date hereof, no expert, nor any associate or affiliate of such person has any beneficial interest, direct or indirect, in the property of the Company or of an associate or affiliate of the Company, and, as of the date hereof, each expert, or any associate or affiliate of such person, as a group, beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Company and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of an associate or affiliate of the Company.

OTHER MATERIAL FACTS

There are no material facts about the Company that are not otherwise disclosed in this Prospectus.

FINANCIAL STATEMENTS

Financial statements of the Company for the period from incorporation on March 20, 2019 to May 31, 2019 and for the financial year ended May 31, 2020 are included in this Prospectus as Schedule “A”.

Financial statements of PharmaTher for the period from incorporation on April 1, 2020 to May 31, 2020 are included in this Prospectus as Schedule “B”.

Pro forma financial statements of the Company as at May 31, 2020 are included in this Prospectus as Schedule “C”.

SCHEDULE "A"

FINANCIAL STATEMENTS OF NEWSCOPE CAPITAL CORPORATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

[see attached]

NEWSCOPE CAPITAL CORPORATION

FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2020 AND

PERIOD FROM MARCH 20, 2019 (DATE OF INCORPORATION) TO MAY 31, 2019

(EXPRESSED IN CANADIAN DOLLARS)

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Newscope Capital Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Newscope Capital Corporation (the Company), which comprise the statements of financial position as at May 31 2020 and 2019, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the year ended May 31, 2020, and for the period from March 20, 2019 (date of incorporation) to May 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred comprehensive loss of $282,605 for the year ended May 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
July •, 2020

Newscope Capital Corporation

Statements of Financial Position
(Expressed in Canadian Dollars)

	May 31, 2020	May 31, 2019
ASSETS		
Current assets		
Cash	**$ 219,034**	$ 13,291
HST receivable	**1,441**	-
Subscription receivable (note 6)	**-**	93,600
Advance (note 11)	**-**	11,025
Total assets	**$ 220,475**	$ 117,916
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 16,013**	$ 7,641
Total liabilities	**16,013**	7,641
Equity		
Share capital (note 5)	**382,424**	31,500
Warrants and special warrants (notes 6 and 7)	**92,035**	85,959
Contributed surplus (note 8)	**19,792**	-
Deficit	**(289,789)**	(7,184)
Total equity	**204,462**	110,275
Total liabilities and equity	**$ 220,475**	$ 117,916

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

Business of the Company and going concern (note 1)
Subsequent events (note 13)

On Behalf of the Board:

"Fabio Chianelli"
Director

"Carlo Sansalone"
Director

Newscope Capital Corporation
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended May 31, 2020	March 20 , 2019 (date of incorporation) to May 31, 2019
Expenses		
Professional fees	**$ 16,261**	$ -
Consulting fees	**589**	200
Management fees (note 11)	**10,500**	6,300
Stock-based compensation (notes 8 and 11)	**19,792**	-
General and administrative	**2,564**	684
Travel	**32,899**	-
Bad debt expense (note 4)	**200,000**	-
Net loss and comprehensive loss for the period	**$ 282,605**	$ 7,184
Basic and diluted net loss for the period (note 10)	**$ 0.06**	$ 0.00
Weighted average number of common shares outstanding	**4,710,959**	3,150,000

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

Newscope Capital Corporation

Statements of Changes in Equity
Year Ended May 31, 2020 and Period from March 20, 2019 (Date of Incorporation) to May 31, 2019
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	Amount	Warrants and special warrants	Contributed Surplus	Deficit	Total
Balance, March 20, 2019 (date of incorporation)	**3,150,000**	**$ 31,500**	**$ -**	**$ -**	**$ -**	**$ 31,500**
Issuance of special warrants	-	-	98,900	-	-	98,900
Transaction costs	-	-	(12,941)	-	-	(12,941)
Net loss for the period	-	-	-	-	(7,184)	(7,184)
Balance, May 31, 2019	**3,150,000**	**31,500**	**85,959**	**-**	**(7,184)**	**110,275**
Private placements (note 5(b))	3,950,000	395,000	-	-	-	395,000
Issuance of broker warrants (note 5(b))	-	(6,076)	6,076	-	-	-
Share issuance costs (note 5(b))	-	(38,000)	-	-	-	(38,000)
Stock based compensation (note 8)	-	-	-	19,792	-	19,792
Net loss for the year	-	-	-	-	(282,605)	(282,605)
Balance, May 31, 2020	**7,100,000**	**$ 382,424**	**$ 92,035**	**$ 19,792**	**$ (289,789)**	**$ 204,462**

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

Newscope Capital Corporation
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended May 31, 2020	March 20 , 2019 (date of incorporation) to May 31, 2019
Operating activities		
Net loss for the period	**$ (282,605)**	$ (7,184)
Stock based compensation (note 8)	**19,792**	-
Non-cash working capital items:		
HST receivable	**(1,441)**	-
Advance	**11,025**	(11,025)
Accounts payable and accrued liabilities	**8,372**	7,641
Net cash used in operating activities	**(244,857)**	(10,568)
Financing activities		
Issuance of special warrants	**93,600**	-
Issuance of common shares	**395,000**	31,500
Issuance costs	**(38,000)**	(7,641)
Net cash provided by financing activities	**450,600**	23,859
Net change in cash	**205,743**	13,291
Cash, beginning of period	**13,291**	-
Cash, end of period	**$ 219,034**	$ 13,291

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

1. Business of the Company and Going concern

Newscope Capital Corporation ("Newscope" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on March 20, 2019. The registered head office of the Company is 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver B.C. V6E 4N7, Canada.

On **July XX**, 2020, the directors of the Company approved the financial statements for the year ended May 31, 2020 and the period from March 20, 2019 (date of incorporation) to May 31, 2019.

The Company had no commercial operations and incurred a net loss and comprehensive loss of $282,605 for the year ended May 31, 2020 (period from March 20, 2019 (Date of Incorporation) to May 31, 2019 - $7,184) and as of May 31, 2020, the Company's accumulated deficit was $289,789. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and trade creditors, and on achieving profitable commercial operations. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution.

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

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of Presentation

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the Board of Directors of the Company on **July XX**, 2020.

Basis of Presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention except for certain financial assets and liabilities that are presented at fair value. These financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Foreign Currency Translation

The functional currency of the Company is Canadian Dollar The presentation currency of the financial statements is the Canadian Dollar.

3. Significant Accounting Policies

Use of Management Estimates, Judgments and Measurement Uncertainty

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Stock-based compensation

The fair value of stock-based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Going concern

Management assessment of going concern and uncertainties of Newscope ability to raise additional capital and/or obtain financing to meet its commitments.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

3. Significant Accounting Policies (continued)

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Loss Per Share

Loss per common share have been determined by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares securing employee share purchase loans and shares in escrow, if any. The Company follows the “treasury stock” method in the calculation of diluted earnings per share. Under this method, the calculation of diluted earnings per share assumes that outstanding options and warrants that are dilutive to earnings per share are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The treasury stock method is not used to calculate diluted loss per share because the result would be anti- dilutive. Loss per share per share (diluted) are equivalent measures and calculated on a non-dilutive basis.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for assesses whether:

- The contract involves the use of an identified asset;
- The Company has the right to obtain substantially all of the economic benefits from use of the
- asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

At inception, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease obligation at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. Significant Accounting Policies (continued)

Leases and right-of-use assets (continued)

(i) As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of- use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease obligation. Right-of-use assets are tested for impairment in accordance with IAS 36 – Impairment of Assets, and impairments are recorded in restructuring and other charges on the statements of income.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate ("IBR") as the discount rate.

The lease obligation is subsequently measured at amortized cost using the effective interest method (EIR) and is adjusted for accrued interest and lease payments when there is a change in future lease payments arising from a change in an index or rate. It is remeasured if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if there are modifications to the lease conditions such as a change of square footage of a lease, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease obligation is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, as permitted, the Company has opted to recognize a lease expense on a straight-line basis. This expense is presented within Operating Costs in the statements of income. The amounts related to these low value leases are immaterial.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company assessed and classified its subleases as finance leases, and therefore derecognized the right-of-use assets relating to the respective head leases being sublet, recognized lease receivables equal to the net investment in the subleases, retained the previously recognized lease obligations in its capacity as lessee, recognized the related interest expense thereafter and recognized interest income on the subleases receivable in its capacity as finance lessor.

3. Significant Accounting Policies (continued)

Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.
-

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company's financial assets consist of cash which is classified and measured at FVTPL.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company’s financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Stock-based compensation

The fair value of stock options granted is recognized as an expense over the vesting period with a corresponding increasein equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (directemployee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair valueof the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms andconditions upon which the options were granted. At each financial position reporting date, the amount recognized as anexpense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate for those options that do not vest immediately. Amounts recorded for expiredunexercised stock options and warrants are transferred to deficit on expiry.

4. Bad debt expense

On October 25, 2019, the Company signed a letter of intent (the "LOI") with Relevium Technologies Inc. ("Relevium") to acquire (the "Transaction") Relevium's wholly-owned subsidiary BGX E-Health LLC ("BGX"). As per the terms of the LOI, the Company advanced $200,000 to Relevium during the year ended May 31, 2020. The Company has determined to put the transaction on hold and wrote off the advance of $200,000 as bad debt expense.

(Expressed in Canadian Dollars)

5. Share capital

a) Authorized share capital

Authorized unlimited common shares and unlimited number of preferred shares

b) Common shares issued

	Number of Common Shares	Amount ($)
Balance, March 20, 2019 (date of incorporation) and May 31, 2019 (i)	**3,150,000**	**31,500**
Private placements (ii)(iii)	3,950,000	395,000
Issuance of warrants (ii)(iii)	-	(6,076)
Share issuance costs (ii)(iii)	-	(38,000)
Balance, May 31, 2020	**7,100,000**	**382,424**

(i) On March 20, 2019 (date of incorporation), the Company issued 3,150,000 common shares at $0.01 per share for gross proceeds of $31,500.

(ii) On December 20, 2019, the Company issued 2,000,000 common shares at $0.10 per share for gross proceeds of $200,000. The Company issued 85,000 warrants to EMD Financial Inc. ("EMD") for arranging the private placement. Each warrant entitles the holder thereof to purchase one common share of the Company at $0.10 per share until December 20, 2021. The fair value of the warrants was estimated at $4,491 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.10, risk-free interest rate of 1.53%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 2 years.

(iii) On January 27, 2020, the Company issued 1,950,000 common shares at $0.10 per share for gross proceeds of $195,000. The Company issued 30,000 warrants to EMD for arranging the private placement. Each warrant entitles the holder thereof to purchase one common share of the Company at $0.10 per share until January 27, 2022. The fair value of the warrants was estimated at $1,585 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.10, risk-free interest rate of 1.65%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 2 years. The Company paid issuance costs of $38,000 to brokers.

6. Special warrants

During the period ended May 31, 2019, the Company issued 1,036,000 special warrants for proceeds of $93,600 which was received subsequent to May 31, 2019. Each special warrant entitled the holder thereof to automatically receive, without payment of additional consideration and without further action on the part of the holder, one common share of the Company upon filing of the final prospectus for listing of its shares on TSX Venture Exchange. The 1,036,000 special warrants include 936,000 special warrants issued for cash proceeds of $93,600 and 100,000 special warrants issued to an agent as transaction costs. The 100,000 special warrants issued as transaction costs were valued at $5,300 using Black-Scholes option pricing model with the following assumptions: stock price of $0.10, risk-free interest rate of 1.53%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 2 years. The Company also incurred a transaction costs of $7,641.

(Expressed in Canadian Dollars)

7. Warrants

The Company issued warrants to acquire common shares as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, March 20, 2019 (date of incorporation) and May 31, 2019	**-**	**-**
Issued	115,000	0.10
Balance, May 31, 2020	**115,000**	**0.10**

The following table reflects the warrants issued and outstanding as of May 31, 2020:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Warrants Outstanding
December 20, 2021	0.10	1.56	85,000
January 27, 2022	0.10	1.66	30,000
	0.10	**1.58**	**115,000**

8. Stock options

The Company issued stock options to acquire common shares as follows:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, March 20, 2019 (date of incorporation) and May 31, 2019	**-**	**-**
Granted	375,000	0.10
Balance, May 31, 2020	**375,000**	**0.10**

The following table reflects the actual stock options issued and outstanding as of May 31, 2020:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
November 19, 2021	0.10	1.47	375,000	375,000	-

On November 19, 2019, the Company granted 375,000 stock options to the management of the Company with each stock options exercisable into one common share of the Company at $0.10 per share for two years. These stock options vested immediately upon grant. The fair value of these stock options was estimated at $19,792 using Black-Sholes stock option valuation model using the following assumptions: stock price of $0.10, risk-free interest rate of 1.52%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 2 years.

9. Fair value and financial risk factors

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

As at May 31, 2020, the carrying and fair value amounts of the Company's cash are approximately equivalent due to its short term nature.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. As at May 31, 2020, management believes that the credit risk with respect to cash and HST receivable is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk factors. The market risk factor that affects the Company is foreign currency risk.

10. Net loss per share

The calculation of basic and diluted loss per share for the year ended May 31, 2020 was based on the loss attributable to common shareholders of $282,605 (March 20, 2019 (date of incorporation) to May 31, 2019 - loss of $7,184) and the weighted average number of common shares outstanding of 4,710,959 (March 20, 2019 (date of incorporation) to May 31, 2019 - 3,150,000), net of escrowed shares.

Diluted loss per share did not include the effect of 1,036,000 special warrants, 115,000 warrants and 375,000 stock options (May 31, 2019 - 1,036,000 special warrants) as they are anti-dilutive.

(Expressed in Canadian Dollars)

11. Related party transactions

Related parties include the directors of the Company, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of management of the Company was as follows:

	Year Ended May 31, 2020	March 20 , 2019 (date of incorporation) to May 31, 2019
Management fees	**$ 10,500**	$ 6,300
Stock-based compensation	**$ 19,792**	$ -

During the period from March 20, 2019 (date of incorporation) to May 31, 2019, the Company advanced $11,025 to a director of the Company. The advance was non-interest bearing and repayable on demand. During the year ended May 31, 2020, the advance was repaid.

12. Income Taxes

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

	Year Ended May 31, 2020	March 20 , 2019 (date of incorporation) to May 31, 2019
Loss before recovery of income taxes	**$ (282,605)**	$ (7,184)
Combined statutory income tax rate:	**26.5%**	26.5%
Expected income tax recovery	**(74,890)**	(1,904)
Adjustment resulting from:		
Permanent differences	**5,245**	-
Non-deductible expenses	**562**	333
Share issuance costs	**(10,070)**	(2,025)
Deferred tax assets not recognized	**79,153**	3,596
	$ -	$ -

(Expressed in Canadian Dollars)

12. Income Taxes (continued)

Deferred income taxes

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

	As at May 31, 2020	As at May 31, 2019
Share issuance costs	**$ 9,271**	$ 1,620
Non-capital losses carried forward	**73,478**	1,976
Deferred tax assets	**82,749**	3,596
Less: deferred tax assets not recognized	**(82,749)**	(3,596)
Net deferred tax assets	**$ -**	$ -

Loss carry-forwards

As at May 31, 2020, the Company had total non-capital tax losses for Canadian income tax purpose of $277,000, available to use against future taxable income. The non-capital losses expire in 2039 and 2040.

13. Subsequent events

(i) On June 10, 2020, the Company issued 47,240,000 common shares as consideration for acquisition of all of the issued and outstanding common shares in the capital of PharmaTher Inc. ("PharmaTher") at a price of $0.10 per share for an aggregate purchase price of $4,724,000. In addition, Newscope issued an aggregate of 1,007,200 warrants in exchange for the issued and outstanding warrants of PharmaTher. Each warrant entitles the holder thereof to acquire one common share in the capital of Newscope at an exercise price of $0.05 for a period of 24 months from the original date of issuance.

(ii) On July 8, 2020, the Company issued 10,000,000 common shares at $0.10 per share for gross proceeds of $1,000,000 and 680,000 warrants with each warrant exercisable into one common share of the Company at $0.10 per share expiring in two years from the date of issuance.

(iii) On July 16, 2020, the Company granted 4,500,000 stock options to certain directors, officers and consultants with each stock option exercisable for one common share of the Company at an exercise price of $0.10 per share. These stock options expire in five years from the date of grant and vested immediately upon grant.

NEWSCOPE CAPITAL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended May 31, 2020 and Period from March 20, 2019 (Date of Incorporation) to May 31, 2019

(Expressed in Canadian Dollars)

Dated: July 22, 2020

INTRODUCTION

Newscope Capital Corporation ("Newscope" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on March 20, 2019. The registered head office of the Company is 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver B.C. V6E 4N7, Canada.

The Canadian Dollar is the Company's functional and reporting currency. Unless otherwise noted, all dollar amounts are expressed in Canadian Dollars.

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Newscope constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2020 and the period from March 20, 2019 (date of incorporation) to May 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations.

This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended May 31, 2020 and the period from March 20, 2019 (date of incorporation) to May 31, 2019, together with the notes thereto.

For the purposes of preparing this MD&A, management, in conjunction with the Board of the Company (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Newscope's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information and statements ("forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company. Forward-looking statements reflect the current expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the actual results, performance or events to be materially different from any future results, performance or events that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this MD&A. Although the Company has attempted to identify important factors that could cause actual results, performance or events to differ materially from those described in the forward-looking statements, there could be other factors unknown to management or which management believes are immaterial that could cause actual results, performance or events to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or events may vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Forward-looking statements contained herein are made as of the date of this MD&A and the Company assumes no responsibility to update forward looking statements, whether as a result of new information or otherwise, other than as may be required by applicable securities laws.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that

may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

The Company was incorporated on March 20, 2019 pursuant to the Business Corporations Act (British Columbia) and prior to the completion of the acquisition of PharmaTher Inc. (the "Acquisition") had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement with PharmaTher Inc. The sole business of the Company from the date of its incorporation until executing the Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Acquisition, the Company did not have a business, business operations or any material assets other than cash.

CORPORATE HIGHLIGHTS

On March 20, 2019 the Company completed a private placement (the "**Founder Round**") by issuing 3,150,000 Common Shares at a price of $0.01 per Common Share for aggregate gross proceeds of $31,500.

On May 29, 2019, the Company completed the Special Warrant Private Placement issuing 1,036,000 Special Warrants, at a price of $0.10 per Special Warrant, with each Special Warrant automatically converting into one Common Share (the "**Special Warrant Shares**") of the Company at no additional cost on the Special Warrants Exercise Date. Aggregate gross proceeds from the Special Warrant Private Placement were equal to $93,600 received subsequent to year end. Of the 1,036,000 Special Warrants, 100,000 Special Warrants were issued to Vested Technology Corp., a start-up equity crowdfunding portal, as compensation.

On December 20, 2019, the Company completed a private placement issuing 2,000,000 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $200,000. The Company also issued an aggregate of 85,000 common share purchase warrants as compensation to registered dealers involved in the private placement. Each compensation warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, until December 20, 2021.

On January 27, 2020, the Company completed a private placement issuing 1,950,000 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $195,000. The Company also issued an aggregate of 30,000 common share purchase warrants as compensation to registered dealers involved in the private placement. Each compensation warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, until January 27, 2022.

The Company paid issuance costs of $38,000 to brokers in connection with the Fiscal 2020 private placements

On July 8, 2020, the Company completed the closing of the 2020 Private Placement by issuing 10,000,000 Common Shares, at a price of $0.10 per Common Share, for aggregate gross proceeds of $1,000,000. The Company also

issued an aggregate of 680,000 Broker Warrants as compensation to registered dealers involved in the 2020 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, until July 8, 2022.

On July 16, 2020, the Company granted 4,500,000 stock options to certain directors, officers and consultants with each stock option exercisable for one common share of the Company at an exercise price of $0.10 per share. These stock options expire in five years from the date of grant and vested immediately upon grant.

Acquisition of PharmaTher

On June 3, 2020, the Company entered into the Share Exchange Agreement with PharmaTher, pursuant to which the Company acquired all of the issued and outstanding common shares and warrants of PharmaTher in consideration for the issuance of a total of 47,240,000 Common Shares and 1,007,200 Warrants to shareholders and warrant holders of PharmaTher in proportion with their respective interest in PharmaTher.

TRENDS AND ECONOMIC CONDITIONS

(a) Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger or acquisition transaction.

(b) Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

At the date of this MD&A, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Newscope in future periods.

(c) Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

SELECTED ANNUAL INFORMATION

	Year Ended May 31, 2020 $	Period from March 20, 2020 (date of incorporation) to May 31, 2019 $
Total assets	220,475	117,916
Total liabilities	16,013	7,641
Working capital	204,462	110,275
Expenses	282,605	7,184
Net (loss)	(282,605)	(7,184)
Net (loss) per share, basic and diluted	(0.06)	(0.00)

FINANCIAL RESULTS

The Company reported a net loss of $282,605 for the year ended May 31, 2020 which is comprised of $ 16,261 legal fees, $589 consulting fees, $10,500 management fees, $19,792 stock-based compensation, $32,899 travel,$200,000 bad debt expenses and $2,564 general and administrative expenses.

The Company reported a net loss of $7,184 for the period from March 20, 2019 (date of incorporation) to May 31, 2019 which is comprised of $200 consulting fees, $6,300 management fees, and $684 general and administrative.

SELECTED QUARTERLY INFORMATION

A summary of selected information for each of the quarters presented below is as follows:

For the Period Ended	Net Loss		Total assets ($)
	Total ($)	Basic and diluted loss per share ($)	
May 31, 2020	(206,000)	(0.04)	220,475
February 29, 2020	(6,992)	(0.00)	420,476
November 30, 2019	(27,398)	(0.01)	64,923
August 31, 2019	(42,215)	(0.01)	70,343
May 31, 2019	(7,184)	(0.00)	117,916

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not presently generate revenue to cover its costs, managing liquidity risk is dependent upon the ability to secure additional financing. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

As at May 31, 2020, the Company had a cash balance of $219,034 to settle current liabilities of $16,013. This represents a working capital of $204,462 which is comprised of current assets less current liabilities. The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $289,789 as at May 31, 2020.

SHARE CAPITAL STRUCTURE

As at the date of this document, the Company had 63,340,000 issued and outstanding common shares.

CAPITAL MANAGEMENT

The Company considers its capital to be its shareholders' equity. As at May 31, 2020, the Company had shareholders' equity of $204,462. The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise. The Company may also return capital to shareholders through the repurchase of shares, pay dividends or reduce debt where it determines any of these to be an effective method of achieving the above objective. The Company does not use ratios in the management of its capital. There have been no changes to management's approach to managing its capital during the year ended May 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

CURRENT GLOBAL FINANCIAL CONDITIONS AND TRENDS

Management regularly monitors economic financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Research;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labor availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

Risks Relating to the Company's Business

Limited Operating History

The Company has a limited operating history in its industry upon which its business and future prospects may be evaluated. The Company is subject to all of the business risks and uncertainties associated with a new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues and the risk that the Company will not achieve its operating goals. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

Actual Financial Position and Results of Operations May Differ from Expectations of Management

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Psychedelics Regulatory Risk

The psychedelic therapy and psychopharmalogical industries are new and emerging industries with substantial existing regulations and uncertainty as to future regulations. There can be no guarantee related to the future legal status of psychedelic compounds in Canada, the United States or other jurisdictions. The jurisdictional treatment of the substances would have a significant impact on the ability of the Company to continue operating or expand its business. The Company's prospects and reputation may also be impacted by developments of these laws.

Inability to Identify, Discover or License Product Candidates and Reliance on Third Parties

The success of the Company's business depends on its ability to utilize its artificial intelligence platform to identify and evaluate new medical indications for psychedelic-derived pharmaceuticals and license such pharmaceuticals. The Company's research programs and artificial intelligence platform may fail to yield product candidates and the Company may fail to license identified product candidates for a number of reasons, including but not limited to the following:

- the Company's research process may be unsuccessful in identifying new uses for the psychedelic-derived drugs evaluated and product candidates suitable for repurposing;
- the Company may not be able or willing to assemble sufficient resources to identify or discover additional product candidates;
- the Company may not succeed in partnering with third parties to advance identified product candidates to the experimental research stage of drug repurposing;
- the Company's identified product candidates may not succeed in pre-clinical or clinical testing;
- pharmaceutical companies may develop alternatives that render the Company's identified product candidates obsolete or less attractive;
- the market for an identified product candidate may change during the Company's program so that such a product candidate may not be attractive to pharmaceutical companies;
- an identified product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- an identified product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Company may be forced to abandon its efforts to identify, discover or license product candidates, which would have a material adverse effect on its business and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical,

financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

In addition, the Company does not manufacture any products and currently relies, and intends to rely, on third parties to manufacture the products that the Company identifies as product candidates. The Company's research, development and commercialization of its product candidates could be stopped or delayed if any such third party fails to provide sufficient quantities of any products, fails to provide products at acceptable quality levels or prices or fails to achieve satisfactory regulatory compliance. If any of these events occurs, the Company may be forced to abandon its research, development and commercialization programs in respect of certain or all products, which would have a material adverse effect on its business and could potentially cause the Company to cease operations.

No Assurance of Profits or Revenues

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company as a Going Concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

Intellectual Property and Licenses

The Company's success is heavily dependent on the Company's intangible properties and technologies, and will depend in part on its ability to protect and maintain its intellectual property rights. No assurance can be given that the patents with respect to the Company's artificial intelligence technology the Company will not be challenged, invalidated, infringed or circumvented, nor that the patents will provide competitive advantages to the Company. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licences have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with any such licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

Product Liability

The risk of product liability is inherent in the research, development, marketing and use of pharmaceutical products. Product candidates and products that the Company may license or sell in the future may cause, or may appear to have caused, injury or dangerous drug reactions, and expose the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate

collaborators or others selling such products. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

- decreased demand for the Company's services or willingness to partner with the Company due to negative public perception;
- injury to the Company's reputation;
- initiation of investigations by regulators;
- costs to defend or settle related litigation;
- a diversion of management's time and resources;
- substantial monetary awards to patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues from product sales; and
- the inability to license or sell any of the Company's identified product candidates.

The insurance coverage of any insurance obtained by the Company may not be sufficient to reimburse the Company for any expenses or losses it may suffer. Insurance coverage is becoming increasingly expensive, and, in the future, the Company, or any of its collaborators, may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts or at all to protect against losses due to liability. Even if the Company's agreements with any future collaborators entitle it to indemnification against product liability losses, such indemnification may not be available or adequate should any claim arise. If a successful product liability claims or series of claims is brought against the Company for uninsured liabilities or in excess of insured liabilities, its assets may not be sufficient to cover such claims and its business operations could be impaired.

Should any of the events described above occur, this could have a material adverse effect on the Company's business, financial condition and results of operations.

Undeveloped Medical Research of Psilocybin and Psychedelic Compounds

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psilocybin- and psychedelic-derived compounds remains in early stages. There have been relatively few clinical trials on the benefits of psilocybin and psychedelic-derived pharmaceuticals. Future research studies and clinical trials may draw opposing conclusions to those stated in this Prospectus or reach negative conclusions regarding the medical benefits, viability, safety, efficacy and dosing or other facts and perceptions related to psilocybin and psychedelic-derived pharmaceuticals, which could have a material adverse effect on the demand for the Company's products or services with the potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Unproven Market for Products and Technologies

The Company believes that the anticipated market for its potential products and technologies will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and technologies and the degree of commercial viability of the potential product candidates identified by the Company's artificial intelligence platform. Even when product candidates are successfully identified, the Company's

ability to generate significant revenue depends on the acceptance of such identified product candidates by the Company's potential partners and pharmaceutical companies. The Company cannot be sure that its products and technologies or any identified product candidates will achieve the expected market acceptance and demand. Any factors preventing or limiting the market acceptance of the Company's products and technologies or any identified product candidates for licensing could have a material adverse effect on the Company's business, results of operations, and financial condition.

Because the psychedelics industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Publicity or Consumer Perception

The Company believes the psilocybin and psychedelic-derived pharmaceuticals industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the compounds derived from mushrooms. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to psilocybin and psychedelic-derived pharmaceutical markets or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's services. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company and the demand for the Company's services. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of psilocybin or other mushroom derived compounds in general, or other negative effects or events related to medications and other products with mushroom derived compounds included in them, could have such a material adverse effect.

Changes to Patent Law

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical and technological processes in Canada and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize the Company's products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

Enforcement of Intellectual Property in Other Jurisdictions

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This risk is exacerbated for the Company because it expects that identified product candidates may be licensed or used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.

Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the US, and foreign countries may affect the Company's ability to obtain adequate protection for its technology and the enforcement of its intellectual property.

Need for Additional Financing

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and

remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Reputational Damage in Certain Circumstances

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Internal Controls over Financial Reporting

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Difficulties with Forecasts

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the psychedelic-derived pharmaceuticals industry. A failure in the demand for its products and services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Retention and Acquisition of Management and Skilled Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Public Health Crises

The Company may be adversely affected by public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of our control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities, interest rates, credit ratings, credit risk and inflation.

On January 30, 2020, the World Health Organization declared the outbreak or COVID-19 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. To date, the Company has not been materially adversely impacted by the outbreak. However, a prolonged continuance of this public health crisis, an increase in its breadth or in its overall severity, could adversely affect our workforce and ability to operate generally as well as cause significant investment decisions to be delayed or postponed. A prolonged continuance of this public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit, as well as 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. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom we do business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Regulatory Compliance Risks

Achievement of the Company's business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. The Company may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Risks Relating to the Common Shares

No Established Market, Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of companies with a small market capitalization have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally, as well as market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, once listed on the Exchange, to be delisted, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price 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 of the Common Shares will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial purchase price.

Dividends

The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Additional Regulatory Burden from Listing

Prior to the Listing, the Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the Exchange or any other stock exchange. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, the Company cannot assure purchasers of Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

SCHEDULE "B"

FINANCIAL STATEMENTS OF PHARMATHER INC.
AND MANAGEMENT'S DISCUSSION AND ANALYSIS

[see attached]

PharmaTher Inc.
Financial Statements

For the Period from April 1, 2020 (Date of Incorporation) to May 31, 2020

(Expressed in Canadian Dollars)

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
PharmaTher Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PharmaTher Inc. (the Company), which comprise the statement of financial position as at May 31 2020, and the statement of loss and comprehensive loss, statement of cash flows and statement of changes in equity for the period from April 1, 2020 (date of incorporation) to May 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2020 and its financial performance and its cash flows for the period from April 1, 2020 (date of incorporation) to May 31, 2020, in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred comprehensive loss of $10,542 for the period from April 1, 2020 (date of incorporation) to May 31, 2020 and as of that date, the Company's accumulated deficit was $10,542. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
June 26, 2020

PharmaTher Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at May 31,		2020
Assets		
Current Assets		
Cash	$	388,382
Amounts receivable		2,051
Total Assets	$	390,433
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$	10,748
Total Liabilities		10,748
Shareholders' Equity		
Share capital (Note 4)	$	15,001
Shares to be issued (Note 4)		388,500
Deficit		(23,816)
Total Shareholders' Equity		379,685
Total Liabilities and Shareholders' Equity	$	390,433

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

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 8)

On Behalf of the Board:

"Fabio Chianelli"
Director

"Carmelo Marrelli"
Director

PharmaTher Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the Period from April 1, 2020 (Date of Incorporation) to May 31, 2020

		Period from April 1, 2020 (Date of incorporation) to May 31, 2020
Expenses		
Professional fees	$	23,274
Office and general		542
Total Expenses		23,816
Net loss and comprehensive loss for the period	$	(23,816)
Basic and diluted net loss per share	$	(0.00)
Weighted average number of common shares outstanding		34,080,000

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

PharmaTher Inc.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
For the Period from April 1, 2020 (Date of Incorporation) to May 31, 2020

	Share Capital				
	Number	Amount	Shares to be issued	Deficit	Total
Balance, April 1, 2020 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of shares for seed capital	34,000,000	1	-	-	1
Shares issued for professional services (note 4)	300,000	15,000	-	-	15,000
Proceeds received for shares to be issued (note 4)	-	-	388,500	-	388,500
Net loss for the period	-	-	-	(23,816)	(23,816)
Balance, May 31, 2020	**34,300,000**	**$ 15,001**	**$ 388,500**	**$ (23,816)**	**$ 379,685**

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

PharmaTher Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)
For the Period from April 1, 2020 (Date of Incorporation) to May 31, 2020

	Period from April 1, 2020 (Date of incorporation) to May 31, 2020
Operating activities	
Net loss for the period	$ (23,816)
Shares issued for professional services	15,000
Changes in non-cash working capital:	
Amounts receivable	(2,051)
Accounts payable and accrued liabilities	10,748
Net cash flows used in operating activities	(119)
Financing activities	
Shares issued for seed capital	1
Proceeds for shares to be issued	388,500
Net cash flows provided by financing activities	388,501
Change in cash	388,382
Cash, beginning of period	-
Cash, end of period	$ 388,382

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

1. Nature of Operations and Going Concern

PharmaTher Inc. ("PharmaTher" or "the Company") was incorporated under the Business Corporations Act (Ontario) on April 1, 2020. The registered head office of the Company is 82 Richmond Street East, Toronto, Ontario M5C 1P1.

PharmaTher is a specialty pharmaceutical company focused on repurposing psychedelic-derived drugs with artificial intelligence.

The Company had no commercial operations and incurred a net loss and comprehensive loss of $23,816 for the period from April 1, 2020 (Date of Incorporation) to May 31, 2020, and as of May 31, 2020, the Company's accumulated deficit was $23,816. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and trade creditors, and on achieving profitable commercial operations. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution.

These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should PharmaTher Inc. be unable to continue as a going concern. These adjustments could be material.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of Presentation

Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the Board of Directors of the Company on June 26, 2020.

2. Basis of Presentation (continued)

Basis of Presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention except for certain financial assets and liabilities that are presented at fair value.

These financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Foreign Currency Translation

The functional currency of the Company is Canadian Dollar The presentation currency of the financial statements is the Canadian Dollar.

3. Significant Accounting Policies

Use of Management Estimates, Judgments and Measurement Uncertainty

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Income Taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Going Concern

Management assessment of going concern and uncertainties of PharmaTher Inc. ability to raise additional capital and/or obtain financing to meet its commitments.

3. Significant Accounting Policies (Continued)

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Loss per share

Loss per common share have been determined by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares securing employee share purchase loans and shares in escrow, if any. The Company follows the “treasury stock” method in the calculation of diluted earnings per share. Under this method, the calculation of diluted earnings per share assumes that outstanding options and warrants that are dilutive to earnings per share are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The treasury stock method is not used to calculate diluted loss per share because the result would be anti- dilutive. Loss per share per share (diluted) are equivalent measures and calculated on a non-dilutive basis.

3. Significant Accounting Policies (Continued)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for assesses whether:

- The contract involves the use of an identified asset;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

At inception, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease obligation at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of- use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease obligation. Right-of-use assets are tested for impairment in accordance with IAS 36 – Impairment of Assets, and impairments are recorded in restructuring and other charges on the statements of income.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate (“IBR”) as the discount rate.

3. Significant Accounting Policies (Continued)

Leases and right-of-use assets (continued)

(i) As a lessee (continued)

The lease obligation is subsequently measured at amortized cost using the effective interest method (EIR) and is adjusted for accrued interest and lease payments when there is a change in future lease payments arising from a change in an index or rate. It is remeasured if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if there are modifications to the lease conditions such as a change of square footage of a lease, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease obligation is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, as permitted, the Company has opted to recognize a lease expense on a straight-line basis. This expense is presented within Operating Costs in the statements of income. The amounts related to these low value leases are immaterial.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company assessed and classified its subleases as finance leases, and therefore derecognized the right-of-use assets relating to the respective head leases being sublet, recognized lease receivables equal to the net investment in the subleases, retained the previously recognized lease obligations in its capacity as lessee, recognized the related interest expense thereafter and recognized interest income on the subleases receivable in its capacity as finance lessor.

3. Significant Accounting Policies (Continued)

Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company's financial assets consist of cash which is classified and measured at FVTPL.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (Continued)

Financial Instruments (continued)

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

4. Share Capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares.

(b) Issued and outstanding - Common Shares

	Shares	Consideration
Balance, as at April 1, 2020 (date of incorporation)	-	$ -
Issuance of shares for seed capital	34,000,000	1
Shares issued for professional services (i)	300,000	15,000
Balance, May 31, 2020	**34,300,000**	**$ 15,001**

(i) On May 8, 2020, the Company issued 300,000 common shares to settle accrued professional fees of $15,000.

(c) Shares to be issued

During the period from April 1, 2020 (date of incorporation) to May 31, 2020, the Company received proceeds of $388,500 for shares to be issued in the private placement the Company completed on June 8, 2020 (note 7).

5. Capital Management

The Company considers its capital to be its shareholders' equity. As at May 31, 2020, the Company had shareholders' equity of $379,685. The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise. The Company may also return capital to shareholders through the repurchase of shares, pay dividends or reduce debt where it determines any of these to be an effective method of achieving the above objective. The Company does not use ratios in the management of its capital. There have been no changes to management's approach to managing its capital during the period ended May 31, 2020.

6. Fair Value and Financial Risk Factors

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

As at May 31, 2020, the carrying and fair value amounts of the Company's cash are approximately equivalent due to its short term nature.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at May 31, 2020, management believes that the credit risk with respect to cash and amounts receivable is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk factors. The market risk factor that affects the Company is foreign currency risk.

(Expressed in Canadian Dollars)

7. Income Taxes

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

As at May 31,

		2020
Loss before recovery of income taxes	$	(23,816)
Combined statutory income tax rate:		26.5%
Expected income tax recovery		(6,311)
Adjustment resulting from:		
Deferred tax assets not recognized		6,311
	$	-

Deferred income taxes

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

As at May 31,

		2020
Non-capital loss carry forwards	$	6,311
Deferred tax assets		6,311
Less: deferred tax assets not recognized		(6,311)
Net deferred tax assets	$	-

Loss carry-forwards

As at May 31, 2020, the Company had total non-capital tax losses for Canadian income tax purpose of $23,816, available to use against future taxable income. The non-capital losses expire in 2040.

8. Subsequent Events

i) on June 1, 2020, the Company signed a Sponsored Research Program (the "Agreement") with University Health Network ("UHN"). Pursuant to the Agreement, the Company will provide financial support in the amount of $140,000 to UHN to conduct research activities that will give the Company exclusive early access to research findings and an option to commercialize intellectual property in such research findings.

ii) On June 4, 2020, Newscope Capital Corporation ("Newscope") announced that it has entered into an arm's length exchange agreement dated June 3, 2020 (the "Agreement") with PharmaTher Inc. Pursuant to the Agreement, Newscope will acquire all of the issued and outstanding common shares in the capital of PharmaTher in exchange for the issuance of an aggregate of 47,240,000 common shares in the capital of Newscope (the "Consolidation Shares) at a price of $0.10 per Consolidation Share for an aggregate purchase price of $4,724,000. In addition, Newscope will issue an aggregate of 1,007,200 warrants (the “Consideration Warrants”) in exchange for the currently issued and outstanding warrants of PharmaTher. Each Consideration Warrant will entitle the holder thereof to acquire one common share in the capital of Newscope at an exercise price of $0.05 for a period of 24 months from the original date of issuance.

Pursuant to the Agreement, Newscope and PharmaTher will jointly prepare, and Newscope will file, a non-offering prospectus in connection with Newscope’s application for listing on the Canadian Securities Exchange (CSE).

iii) On June 8, 2020, the Company completed a private placement for the issuance of 12,940,000 common shares at $0.05 per share for gross proceeds of $647,000. The Company paid cash commission of $43,360 and issued 915,200 finder's warrants of with each finder's warrant exercisable for one common share of the Company at $0.05 per share until June 8, 2022.

PHARMATHER INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Period from April 1, 2020 (Date of Incorporation) to May 31, 2020
(Expressed in Canadian Dollars)

Dated: June 26, 2020

INTRODUCTION

PharmaTher Inc.. ("PharmaTher" or "the Company") was incorporated under the Business Corporations Act (Ontario) on April 1, 2020. The registered head office of the Company is 82 Richmond Street East, Toronto, Ontario M5C 1P1.

PharmaTher is a specialty pharmaceutical company focused on repurposing psychedelic-derived drugs with artificial intelligence.

The Canadian Dollar is the Company's functional and reporting currency. Unless otherwise noted, all dollar amounts are expressed in Canadian Dollars.

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of PharmaTher constitutes management's review of the factors that affected the Company's financial and operating performance for the period from April 1, 2020 (date of incorporation) to May 31, 2020. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations.

This MD&A should be read in conjunction with the audited financial statements of the Company for the period from April 1, 2020 (date of incorporation) to May 31, 2020, together with the notes thereto.

For the purposes of preparing this MD&A, management, in conjunction with the Board of the Company (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of PharmaTher's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information and statements ("forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company. Forward-looking statements reflect the current expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the actual results, performance or events to be materially different from any future results, performance or events that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this MD&A. Although the Company has attempted to identify important factors that could cause actual results, performance or events to differ materially from those described in the forward-looking statements, there could be other factors unknown to management or which management believes are immaterial that could cause actual results, performance or events to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or events may vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Forward-looking statements contained herein are made as of the date of this MD&A and the Company assumes no responsibility to update forward looking statements, whether as a result of new information or otherwise, other than as may be required by applicable securities laws.

Forward-Looking Statements	Assumptions	Risk Factors
The Company's (i) development of product candidates, (ii) demonstration of such product candidates' safety and efficacy in clinical trials, and (iii) obtaining regulatory approval to commercialize these product candidates.	Financing will be available for development of new product candidates and conducting clinical studies; the actual results of the clinical trials will be favourable; development costs will not exceed PharmaTher's expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; all requisite regulatory and governmental approvals to commercialize the product candidates will be received on a timely basis upon terms acceptable to PharmaTher; applicable economic conditions are favourable to PharmaTher.	Availability of financing in the amount and time frame needed for the development and clinical trials may not be favourable; increases in costs; uncertainties of COVID-19 pandemic; the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; timely and favourable regulatory and governmental compliance, acceptances, and approvals; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to obtain the substantial capital it requires to fund research and operations.	Financing will be available for PharmaTher's research and operations and the results thereof will be favourable; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to PharmaTher.	Changes in debt and equity markets; uncertainties of COVID-19 pandemic; timing and availability of external financing on acceptable terms; increases in cost of research and operations; interest rate and exchange rate fluctuations; adverse changes in economic conditions.
Factors affecting pre-clinical research, clinical trials and regulatory approval process of the Company's product candidates.	Actual costs of pre-clinical research, clinical and regulatory processes will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; the Company will be able to complete pre-clinical research and clinical studies on a timely basis with favourable results; all applicable regulatory and governmental approvals for product candidates will be received on a timely basis with terms acceptable to PharmaTher; debt and equity markets, exchange and interest rates, and other applicable economic and political conditions are favourable to PharmaTher; there will be a ready market for the product candidates.	PharmaTher's product candidates may require time-consuming and costly pre-clinical and clinical studies and testing and regulatory approvals before commercialization; the Company's ability to retain and attract skilled staff; uncertainties of COVID-19 pandemic; the Company's ability to recruit suitable patients for clinical trials; adverse changes in regulatory and governmental processes; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company will not be adversely affected by market competition.
The Company's ability to commercialize on its own or find and enter into agreements with potential partners to bring viable product candidates to commercialization.	PharmaTher will be able to commercialize on its own or to find a suitable partner and enter into agreements to bring product candidates to market within a reasonable time frame and on favourable terms; the costs of commercializing on its own or entering into a partnership will be	PharmaTher will not be able to commercialize on its own or find a partner and/or enter into agreements within a reasonable time frame; if the Company enters into agreements, these agreements may not be on favourable terms to PharmaTher; costs of entering into agreements

Forward-Looking Statements	Assumptions	Risk Factors
	consistent with PharmaTher's expectations; partners will provide necessary financing and expertise to bring product candidates to market successfully and profitably.	may be excessive; uncertainties of COVID-19 pandemic; potential partners will not have the necessary financing or expertise to bring product candidates to market successfully or profitably.
The Company's ability to obtain and protect the Company's intellectual property rights and not infringe on the intellectual property rights of others.	Patents and other intellectual property rights will be obtained for viable product candidates; patents and other intellectual property rights obtained will not infringe on others.	PharmaTher will not be able to obtain appropriate patents and other intellectual property rights for viable product candidates; patents and other intellectual property rights obtained will be contested by third parties; no proof that acquiring a patent will make the product more competitive.
The Company's ability to source markets which have demand for its products and successfully supply those markets in order to generate sales.	The anticipated markets for the Company's potential products and technologies will continue to exist and expand; the Company's products will be commercially viable and it will successfully compete with other research teams who are also examining potential products.	The anticipated market for the Company's potential products and technologies will not continue to exist and expand for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.
Future actions with respect to and potential impacts of pending claims.	PharmaTher will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	PharmaTher may will not be able to settle pending claims on favourable terms; claims may be adjudicated in a manner that is not favourable to PharmaTher.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

PharmaTher Inc. is a specialty pharmaceutical company focused on repurposing psychedelic-derived drugs with artificial intelligence. PharmaTher's drug repurposing artificial intelligence platform, PanaceAI, combines multilayered processes for integrating millions of data points and performing machine learning to discover new uses of psychedelic-based drugs. PanaceAI serves as PharmaTher's product pipeline engine for psychedelic-derived drugs and it will unlock partnership opportunities with biotechnology and pharmaceutical companies seeking to expand their product pipeline. PharmaTher has filed provisional patents for PanaceAI and certain neurological disorders. Currently, PharmaTher's product pipeline targets neurological indications, such as traumatic brain injury, migraines and rare pediatric disorders, which all come with attractive U.S. Food and Drug Administration regulatory incentives for expedited approvals, such as orphan drug, fast track and breakthrough designations

CORPORATE HIGHLIGHTS

On June 1, 2020, the Company entered into a Sponsored Research Program (the "Agreement") with University Health Network ("UHN"). Pursuant to the Agreement, the Company will provide financial support in the amount of $140,000 to UHN to conduct research activities that will give the Company exclusive early access to research findings and an option to commercialize intellectual property in such research finding.

On June 4, 2020, Newscope Capital Corporation announced that it has entered into an arm's length exchange agreement dated June 3, 2020 (the "Agreement") with PharmaTher Inc. Pursuant to the Agreement, Newscope will acquire all of the issued and outstanding common shares in the capital of PharmaTher in exchange for the issuance of an aggregate of 47,240,000 common shares in the capital of Newscope (the "Consolidation Shares) at a price of $0.10 per Consolidation Share for an aggregate purchase price of $4,724,000 In addition, the Company will issue an aggregate of 1,007,200 warrants (the "Consideration Warrants") in exchange for the currently issued and outstanding warrants of PharmaTher. Each Consideration Warrant will entitle the holder thereof to acquire one common share in the capital of Newscope at an exercise price of $0.05 for a period of 24 months from the original date of issuance.

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TRENDS AND ECONOMIC CONDITIONS

(a) Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger or acquisition transaction.

(b) Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

At the date of this Interim MD&A, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of PharmaTher in future periods.

(c) Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

SELECTED ANNUAL INFORMATION

	Period from April 1, 2020 (date of incorporation) to May 31, 2020 **$**
Total assets	390,433
Total liabilities	10,748
Working capital	379,685
Expenses (Income)	23,816
Net (loss) income	(23,816)
Net (loss) earnings per share, basic and diluted	(0.00)

FINANCIAL RESULTS

The Company reported a net loss of $23,816 for the period from April 1, 2020 (date of incorporation) to May 31, 2020 which is comprised of $ 23,274 professional fees and $542 office and general.

SELECTED QUARTERLY INFORMATION

A summary of selected information for each of the quarters presented below is as follows:

For the Period Ended	Net Loss		Total assets ($)
	Total ($)	Basic and diluted loss per share ($)	
May 31, 2019	(23,816)	(0.00)	390,433

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not presently generate revenue to cover its costs, managing liquidity risk is dependent upon the ability to secure additional financing. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

As at May 31, 2020, the Company had a cash balance of $388,382 to settle current liabilities of $10,748. This represents a working capital of $379,685 which is comprised of current assets less current liabilities. The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $23,816 as at May 31, 2020.

SHARE CAPITAL STRUCTURE

As at the date of this document, the Company had 47,240,000 issued and outstanding common shares.

CAPITAL MANAGEMENT

The Company considers its capital to be its shareholders' equity. As at May 31, 2020, the Company had shareholders' equity of $379,685. The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise. The Company may also return capital to shareholders through the repurchase of shares, pay dividends or reduce debt where it determines any of these to be an effective method of achieving the above objective. The Company does not use ratios in the management of its capital. There have been no changes to management's approach to managing its capital during the period ended May 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the

Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

CURRENT GLOBAL FINANCIAL CONDITIONS AND TRENDS

Management regularly monitors economic financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Research;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labor availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

RISK FACTORS

Due to the nature of the Company's business, the legal and economic climate in which PharmaTher operates and the present stage of development of its business, the Company may be subject to significant risks. An investment in the Company's shares should be considered highly speculative. The Company's future development and actual operating results may be very different from those expected as at the date of this MD&A. There can be no certainty that the Company will be able to implement successfully its strategies. No representation is or can be made as to the future performance of the Company and there can be no assurance that the Company will achieve its objectives. An investor should carefully consider each of, and the cumulative effect of, the following factors.

History of Operating Losses

To date, PharmaTher has a history of operating losses and may not achieve or sustain profitability. Since incorporation, PharmaTher has accumulated net losses and expects such losses to continue as it commences product, clinical, and commercial development for its products and its technologies. Management expects to continue to incur substantial operating losses unless and until such time as sales generate sufficient revenues to fund continuing operations and may not be unable to sustain or increase profitability and failure to do so could adversely affect the Company's business, including its ability to raise additional funds.

Going-Concern Risk

The Company's financial statements have been prepared on a going concern basis under which the Company is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. PharmaTher's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing additional equity or debt financing or in

achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

Early Stage Development

PharmaTher has not begun to market any product or to generate revenues. The Company expects to spend a significant amount of capital to fund research and development and on further laboratory, animal studies and clinical trials. As a result, the Company expects that its operating expenses will increase significantly and, consequently, it will need to generate significant revenues to become profitable. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. There can be no assurances that the intellectual property of PharmaTher, or other products or technologies it may acquire, will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed. The Company will be undertaking additional laboratory, animal studies, and clinical studies with respect to the intellectual property of PharmaTher, and there can be no assurance that the results from such studies or trials will result in a commercially viable product or will not identify unwanted side effects.

Ability to Manage Growth

Recent rapid growth in all areas of PharmaTher's business has placed, and is expected to continue to place, a significant strain on its managerial, operational and technical resources. The Company expects operating expenses and staffing levels to increase in the future. To manage such growth, the Company must expand its operation and technical capabilities and manage its employee base while effectively administering multiple relationships with various third parties. There can be no assurance that the Company will be able to manage its expanding operations effectively. Any failure to implement cohesive management and operating systems, to add resources on a cost-effective basis or to properly manage the Company's expansion could have a material adverse effect on its business and results of operations.

Unproven Market

The Company believes that the anticipated market for its potential products and technologies will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

Manufacturing, Pharmaceutical Development and Marketing Capability

The Company has no, and does not expect to have any, in-house manufacturing, product development, or marketing capability. To be successful, a product must be manufactured and packaged in commercial quantities in compliance with regulatory requirements and in reasonable time frames and at accepted costs. The Company intends to contract with third parties to develop its products. No assurance can be given that the Company or its suppliers will be able to meet the supply requirements of the Company in respect of the product development or commercial sales. Production of therapeutic products may require raw materials for which the sources and amount of supply are limited, or may be hindered by quality or scheduling issues in respect of the third party suppliers over which the Company has limited control. An inability to obtain adequate supplies of raw materials could significantly delay the development, regulatory approval and marketing of a product. The Company has

limited in-house personnel to internally manage all aspects of product development, including the management of multi-center clinical trials. The Company is significantly reliant on third party consultants and contractors to provide the requisite advice and management. There can be no assurance that the clinical trials and product development will not encounter delays which could adversely affect prospects for the Company's success.

To be successful, an approved product must also be successfully marketed. The market for the Company's product being developed by the Company may be large and will require substantial sales and marketing capability. At the present time, PharmaTher does not have any internal capability to market products or technologies. The Company intends to enter into one or more strategic partnerships or collaborative arrangements with pharmaceutical companies or other companies with marketing and distribution expertise to address this need. If necessary, the Company will establish arrangements with various partners for geographical areas. There can be no assurance that the Company can market, or can enter into a satisfactory arrangement with a third party to market a product in a manner that would assure its acceptance in the market place. However, if a satisfactory arrangement with a third party to market and/or distribute a product is obtained, then the Company will be dependent on the corporate collaborator(s) who may not devote sufficient time, resources, and attention to the Company's programs, which may hinder efforts to market the products. Should the Company not establish marketing and distribution strategic partnerships and collaborative arrangements on acceptable terms, and undertake some or all of those functions, the Company will require significant additional human and financial resources and expertise to undertake these activities, the availability of which is not guaranteed.

The Company will rely on third parties for the timely supply of raw materials, equipment, contract manufacturing, and formulation or packaging services. Although the Company intends to manage these third party relationships to ensure continuity and quality, some events beyond the Company's control could result in complete or partial failure of these goods and services. Any such failure could have a material adverse effect on the financial conditions and result of operation of the Company.

Raw Material and Product Supply

Raw materials and supplies are generally available in quantities to meet the needs of the Company's business. The Company will be dependent on third-party manufacturers for the products and technologies that it markets. An inability to obtain raw materials or product supply could have a material adverse impact on the Company's business, financial condition, and results of operations.

Need for Additional Capital and Access to Capital Markets

The Company will need additional capital to complete its current research, development, and commercial programs. It is anticipated that future research, additional pre-clinical and toxicology studies, manufacturing, and marketing initiatives, including that to prepare for market approval and successful product market launch, will require additional funds. Further financing may dilute the current holdings of shareholders and may thereby result in a loss for shareholders. There can be no assurance that the Company will be able to obtain adequate financing, or financing on terms that are reasonable or acceptable for these or other purposes, or to fulfill the Company's obligations under the various license agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development of the Company's products and technologies with the possible loss of license rights to these products and technologies.

Competition

The market for PharmaTher's products and technologies is highly competitive. The Company will compete with academic and commercial industries who are also examining potential repurposing psychedelic-derived drugs with artificial intelligence. Many of its competitors have greater financial and operational resources and more experience in research, development, and commercialization than the Company will. These and other companies may have developed or could in the future develop new products and technologies that compete with the Company's products and technologies or even render its products and technologies obsolete.

Intellectual Property

PharmaTher's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. PharmaTher has filed provisional patents for PanaceAI and certain neurological disorders. However, patents provide only limited protection of PharmaTher's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. PharmaTher cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. PharmaTher's current patents could be successfully challenged, invalidated, or circumvented. This could result in PharmaTher's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that PharmaTher considers significant could have a material adverse effect on PharmaTher's business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect PharmaTher's intellectual property rights to the same extent as the laws of Canada and the United States. If PharmaTher is successful in obtaining one or more patents, it will only hold them in selected countries. Therefore, third parties may be able to replicate PharmaTher's products and technologies covered by PharmarTher's patents in countries in which it does not have patent protection.

Litigation to Protect the Company's Intellectual Property

The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favor.

Risks Related to Potential Inability to Protect Intellectual Property

PharmaTher's success is heavily dependent upon the Company's intangible property and technologies. The Company licenses certain of its product and technology from third parties and there can be no assurance that the Company will be able to continue licensing these rights on a continuous basis. The Company relies upon copyrights, trade secrets, unpatented proprietary know-how, and continuing technology innovation to protect the product and technology that the Company considers important to the development of its business. The

Company relies on various methods to protect its proprietary rights, including confidentiality agreements with its consultants, service providers, and management that contain terms and conditions prohibiting unauthorized use and disclosure of the Company's confidential information. However, despite the Company's efforts to protect our intangible property rights, unauthorized parties may attempt to copy or replicate the Company's product or technology. There can be no assurances that the steps taken by the Company to protect its product and technology will be adequate to prevent misappropriation or independent third-party development of its product and technology. It is likely that other companies can duplicate a production process similar to the Company's. To the extent that any of the above could occur, the Company's revenue could be negatively affected, and in the future, the Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert the Company management's attention and our resources.

Legal Proceedings

In the course of the Company's business, the Company may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against the Company asserting that it has misappropriated their technologies and had improperly incorporated such technologies into the Company's products. Due to these factors, there remains a constant risk of intellectual property litigation affecting the Company's business. Additionally, PharmaTher faces litigation risks arising from its use of independent contractors and research collaborations to advance research and development of its product pipeline candidates. The Company may be made a party to litigation involving intellectual property, commercial disputes, and other matters, and such actions, if determined adversely, could have a material adverse effect on PharmaTher.

Lack of Supporting Clinical Data

The clinical effectiveness and safety of any of PharmaTher's current or future products is not yet supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports the safety and efficacy of the PharmaTher's products. If future studies call into question the safety or efficacy of the PharmaTher's products, the Company's business, financial condition or results of operations could be adversely affected.

Research and Development Risk

A principal component of the PharmaTher's business strategy is to expand its product offering to fully exploit the core technologies. As such, PharmaTher's organic growth and long-term success is primarily dependent on its ability to successfully develop new and current products and it will likely incur significant research and development expenditures. PharmaTher cannot be certain that any investment in research and development will yield technically feasible or commercially viable products. Furthermore, its ability to discover and develop products will depend on its ability to:

- retain key scientists as employees or partners;
- identify high quality therapeutic targets;
- identify potential drug candidates;
- develop products internally;
- successfully complete laboratory testing and clinical trials on humans;
- obtain and maintain necessary intellectual property rights to the PharmaTher's products;
- obtain and maintain necessary United States and other regulatory approvals for conducting clinical trials;
- obtain and maintain necessary United States and other regulatory approvals for its products;

- collaborate with third parties to assist in the development of its products; and
- enter into arrangements with third parties to co-develop, license, and commercialize its products.

PharmaTher may not be successful in discovering and developing its products and technologies. Failure to so could materially and adversely affect the PharmaTher's operations and financial condition.

Success of Quality Control Systems

The quality and safety of the Company's products are critical to the success of the Company's business and operations. As such, it is imperative that the Company and its service providers' quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Company strive to ensure that all of our service providers have implemented and adhere to high-caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Company's business and operating results.

Product Liability

The Company's products will be produced for sale both directly and indirectly to end consumers, and therefore the Company faces an inherent risk of exposure to product liability claims, regulatory action, and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation, and could have a material adverse effect on the Company's business and operational results.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

PharmaTher's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including the Company's ability to (i) create greater awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Company's technologies or products. In addition, no assurance can be given that we will be able to manage the Company's advertising and promotional expenditures on a cost-effective basis.

Maintaining and Promoting the Company's Brands

PharmaTher believes that maintaining and promoting the Company's brands is critical to expanding the Company's customer base. Maintaining and promoting the Company's brands will depend largely on its ability to continue to provide quality, reliable, and innovative products, which the Company's may not do successfully. PharmaTher may introduce new products and technologies that the Company's customers do not like, which may negatively affect the Company's brand and reputation. Maintaining and enhancing the Company's brands may require substantial investments, and these investments may not achieve the desired goals. If the Company

fails to successfully promote and maintain its brands or if the Company incurs excessive expenses in this effort, the Company's business and financial results from operations could be materially adversely affected.

Lack of Diversity

Larger companies have the ability to manage their risk through diversification. However, PharnaTher currently lacks diversification, in terms of the nature of its business. As a result, PharmaTher could potentially be more impacted by factors affecting the pharmaceutical industry in general and PharmaTher in particular than would be the case if the business was more diversified. Currently, PharmaTher's product pipeline targets neurological indications, such as traumatic brain injury, migraines and rare pediatric disorders Accordingly, PharmaTher is dependent on its ability to develop and commercialize its products and technologies and any factor that materially adversely affects its ability to do so may have a material adverse effect on PharmaTher's financial condition and results of operations.

Key Personnel Risk

PharmaTher's success and future growth will depend, to a significant degree, on the continued efforts of the Company's directors and officers to develop the business and manage operations and on their ability to attract and retain key technical, scientific, sales and marketing staff or consultants. The loss of any key person or the inability to attract and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, scientific, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future. The Company's inability to retain and attract the necessary personnel could materially adversely affect the Company's business and financial results from operations.

Fluctuations in Foreign Currency Exchange Rates

PharmaTher is subject to foreign currency risk. The strengthening or weakening of the Canadian or U.S. dollar versus other currencies will impact the translation of the Company's expenses and net revenues generated in these foreign currencies into Canadian and US dollars. The Company imports certain products from foreign countries, and so may become forced to pay higher rates for these products as a result of the weakening of the Canadian or U.S. dollar.

Requirement to Generate Cash Flow for Financial Obligations

PharmaTher currently has negative operating cash flows. The Company's ability to generate sufficient cash flow from operations to make scheduled payments to the Company's contractors, service providers, and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of the Company's control. If the Company does not generate sufficient cash flow from operations to satisfy its contractual obligations, the Company may have to undertake alternative financing plans. The Company's inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on the Company's business, financial condition, and results or operations, as well as its ability to satisfy the Company's contractual obligations. Any failure to meet the Company's financial obligations could result in termination of key contracts, which could harm the Company's ability to provide its products and technologies.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on the Company's financial position and operations.

Regulatory Approval and Permits

PharmaTher may be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where its products or technologies are being researched, developed, or commercialized. There can be no assurance that the Company will be able to obtain or maintain any necessary licenses, permits, or approvals. Any material delay or inability to receive these items is likely to delay and/or inhibit the Company's ability to conduct its business, and would have an adverse effect on its business, financial condition, and results of operations.

Inability to Implement the Business Strategy

The growth and expansion of PharmaTher's business is heavily dependent upon the successful implementation of PharmaTher's business strategy. There can be no assurance that PharmaTher will be successful in the implementation of its business strategy.

Regulatory Risk

PharmaTher will require acceptances and/or approvals from the FDA and other foreign health regulatory bodies for conducting human clinical studies and will require approval from the FDA and equivalent organizations in other countries before any drugs can be marketed. There is no assurance that such approvals will be forthcoming. Furthermore, the exact nature of the studies these regulatory agencies will require is not known and can be changed at any time by the regulatory agencies, increasing the financing risk and potentially increasing the time to market PharmaTher faces, which could adversely affect PharmaTher's business, financial condition or results of operations.

In both domestic and foreign markets, the development, formulation, manufacturing, packaging, labelling, handling, distribution, import, export, licensing, sale, and storage of pharmaceuticals are affected by a body of laws, governmental regulations, administrative determinations, including those by the Canada Food Inspection Agency and the FDA, court decisions, and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of Government in foreign jurisdictions. There can be no assurance that PharmaTher and PharmaTher's partners are in compliance with all of these laws, regulations and other constraints. PharmaTher and its partners may be required to incur significant costs to comply with such laws and regulations in the future, and such laws and regulations may have an adverse effect on the business. The failure of PharmaTher or its partners to comply with current or future regulatory requirements could lead to the imposition of significant penalties or claims and may have a material adverse effect on the business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead PharmaTher and its partners to discontinue product development and could have an adverse effect on the business.

International Operations

PharmaTher's international operations expose it and its representatives, agents, and distributors to risks inherent to operating in foreign jurisdictions which could materially adversely affect its operations and financial position. These risks include (i) country-specific taxation policies, (ii) imposition of additional foreign governmental controls or regulations, (iii) export license requirements, (iv) changes in tariffs and other trade restrictions, and (v) complexity of collecting receivables in a foreign jurisdiction.

Moreover, applicable agreements relating to business in foreign jurisdictions are governed by foreign laws and are subject to dispute resolution in the courts of, or through arbitration proceedings in, the country or region in which the parties are located or another jurisdiction agreed upon by the parties. PharmaTher cannot accurately predict whether such forum will provide an effective and efficient means of resolving disputes that may arise in the future. Even if it obtains a satisfactory decision through arbitration or a court proceeding, PharmaTher could have difficulty in enforcing any award or judgment on a timely basis or at all.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Conflict of Interest

Certain of the directors of the Company are also directors and officers of other companies, some of which may be in the pharmaceutical sector, and conflicts of interest may arise between their duties as directors of the Company and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the applicable corporate statute.

Dilution and Future Issuances of Shares

The Company may issue additional shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of the Company's shares and an unlimited number of preferred shares, issuable in series, and the shareholders of the Company will have no pre-emptive rights in connection with such further issuances. The Board of Directors of the Company has the discretion to determine the provisions attaching to any series of preferred shares and the price and the terms of issue of further issuances of Company's shares.

Risk of Third Party Claims for Infringement

A third party may claim that the Company has infringed such third party's rights or may challenge the right of the Company to its intellectual property. In such event, the Company will undertake a review to determine what, if any, action should be taken with respect to such claim. Any claim, whether or not with merit, could be time consuming to evaluate, result in costly litigation, cause delays in the operations of the Company or the development of its intellectual property or require the Company to enter into licensing arrangements that may

require the payment of a licence fee or royalties to the owner of the intellectual property. Such royalty or licensing arrangements, if required, may not be available on terms acceptable to the Company.

SCHEDULE "C"

PRO FORMA FINANCIAL STATEMENTS OF NEWSCOPE CAPITAL CORPORATION

[see attached]

Newscope Capital Corporation

Unaudited Pro Forma Consolidated Financial Statements

(Expressed in Canadian Dollars)

May 31, 2020

Newscope Capital Corporation

Pro Forma Consolidated Statement of Financial Position

As at May 31, 2020
(Unaudited - Expressed in Canadian Dollars)

	Newscope Caital Corporation	PharmaTher Inc.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	$	$		$	$
Assets					
Current assets					
Cash	219,034	388,382	3(a)	1,000,000	1,754,556
			3(c)	(68,000)	
			3(e)	647,000	
			3(f)	(43,360)	
			3(e)	(388,500)	
HST receivables	1,441	2,051			3,492
Total assets	220,475	390,433		1,147,140	1,758,048
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	16,013	10,748		-	26,761
Total liabilities	16,013	10,748		-	26,761
Shareholders' Equity					
Share capital	382,424	15,001	3(a)	1,000,000	
			3(b)	85,959	
			3(c)	(68,000)	
			3(d)	(51,792)	
			3(e)	647,000	
			3(f)	(43,360)	
			3(g)	(34,853)	
			3(h)	(1,348,591)	
			3(i)	1,813,600	2,397,388
Warrants and special warrants	92,035	-	3(h)(i)	31,286	
			3(d)	51,792	
			3(b)	(85,959)	
			3(g)	34853	124,007
Contributed surplus	19,792	-			19,792
Shares to be issued	-	388,500	3(e)	(388,500)	-
Deficit	(289,789)	(23,816)	3(h)(i)	(496,295)	(809,900)
Total shareholders' equity	204,462	379,685		1,147,140	1,731,287
Total shareholders' equity and liabilities	220,475	390,433		1,147,140	1,758,048

See accompanying notes to the unaudited pro-forma consolidated financial statements.

Newscope Capital Corporation

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

For the Year Ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

	Newscope Caital Corporation	PharmaTher Inc.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	$	$		$	$
Expenses					
Legal fees	16,261	23,274		-	39,535
Consulting fees	589			-	589
Management fees	10,500	-		-	10,500
Stock-based compensation	19,792	542		-	20,334
General and administrative	2,564	-		-	2,564
Travel	32,899	-		-	32,899
Bad debt expenses	200,000			-	200,000
Listing expense	-	-	3(i)	787,836	787,836
Net loss and comprehensive loss for the year	282,605	23,816		787,836	1,094,257
Weighted average number of common shares outstanding					
- basic and diluted (note 4)	4,710,959	34,080,000	3(e)	12,940,000	
			3(a)	10,000,000	
			3(b)	1,036,000	62,766,959
Basic income (loss) per share	0.06	0.00			0.02

See accompanying notes to the unaudited pro-forma consolidated financial statements.

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss of Newscope Capital Corporation. ("Newscope") have been prepared by management to reflect the acquisition of PharmaTher Inc. ("PharmaTher") by Newscope after giving effect to the proposed acquisition (the "Acquisition") as described in Note 2.

The unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss have been prepared in using accounting policies and practices consistent with those used in the preparation of Newscope's and PharmaTher's recent financial statements, both of which are prepared under International Financial Reporting Standards ("IFRS"). In the opinion of management, the unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation.

Certain significant estimates have been made by management in the preparation of these pro forma consolidated financial statements, in particular, the determination of the fair value of PharmaTher's assets and liabilities acquired and the fair value of the consideration given by Newscope.

The unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss have been compiled from and include:

The unaudited pro forma consolidated statement of financial position as at May 31, 2020 has been compiled from:

- The statement of financial position of PharmaTher as at May 31, 2020, obtained from the audited financial statements of PharmaTher for period from April 1, 2020 (Date of Incorporation) to May 31, 2020.
- The statement of financial position of Newscope as at May 31, 2020, obtained from the audited financial statements of Newscope for the year ended May 31, 2020.

The unaudited pro forma consolidated statement of loss and comprehensive loss for year ended May 31, 2020 has been compiled from:

- The statement of loss and comprehensive loss of PharmaTher for the period from April 1, 2020 (Date of Incorporation) to May 31, 2020, obtained from the audited financial statements of PharmaTher for the period from April 1, 2020 (Date of Incorporation) to May 31, 2020.
  .
- The statement of loss and comprehensive loss of Newscope for the year ended May 31, 2020, obtained from the audited financial statements of Newscope for the year ended May 31, 2020.

1. Basis of presentation (continued)

The unaudited pro forma consolidated statement of financial position and pro forma consolidated statements of loss and comprehensive loss have been prepared as if the transaction had occurred as of May 31, 2020 for the purposes of the pro forma consolidated statement of financial position, June 1, 2019 for purposes of the pro forma consolidated statements of loss and comprehensive loss for the year ended May 31, 2020.

The unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated.

2. Share Exchange Agreement

Pursuant to the Share Exchange Agreement ("Agreement") dated June 3, 2020 between Newscope and PharmaTher, Newscope will purchase all of the issued and outstanding PharmaTher common shares and warrants in consideration for the issuance of a total of 47,240,000 common shares and 1,007,200 warrants ("Transaction"). Upon completion of the Transaction, percentage of ownership Newscope shareholders have the combined entity is 28% after issuance of the 47,240,000 common shares to PharmaTher shareholders. In accordance with IFRS 3, Business Combination, the substance of the Transaction is a reverse takeover. The Transaction does not constitute a business combination as Newscope does not meet the definition of a business under the standard. As a result, the Transaction is accounted for as a capital transaction with PharmarTher being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated statement of financial position is presented as a continuance of PharmaTher.

(Expressed in Canadian dollars)

3. Pro forma assumptions and adjustments

(a) Newscope completed a private placement and issued 10,000,000 common shares at $0.10 per share for gross proceeds of $1,000,000.

(b) Newscope issued 1,036,000 common shares upon conversion of 1,036,000 issued and outstanding special warrants.

(c) Newscope paid cash commission of $68,000 for the private placement.

(d) Newscope issued 680,000 warrants with each warrant exercisable into one common share of Newscope at $0.10 per share expiring in two years from the date of issuance. The warrants were assigned a grant date value of $51,792 as estimated by using the Black-Scholes valuation model with the following assumptions: exercise price of $0.10, share price of $0.10, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of return of 0.32%, and an expected maturity of 2 years.

(e) PharmaTher completed a private placement for the issuance of 12,940,000 common shares at $0.05 per share for gross proceeds of $647,000.

(f) PharmaTher paid cash commission of $43,360 in the private placement.

(g) PharmaTher issued 915,200 finder's warrants of which each finder's warrant exercisable for one common share of PharmaTher at $0.05 per share for two years. The finder's warrants were assigned a grant date value of $34,853 as estimated by using the Black-Scholes valuation model with the following assumptions: exercise price of $0.05, share price of $0.05, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of return of 0.32%, and an expected maturity of 2 years.

(h) Newscope's share capital was eliminated upon the reverse takeover.

(i) As per the Agreement, the Acquisition equation is as follows:

Issuance of common shares	$	1,813,600
Issuance of warrants		90,906
Take-over of Newscope's stock options		19,792
Total consideration paid	$	1,924,298
Cash	$	1,151,034
HST receivables		1,441
Accounts payable and accrued liabilities		(16,013)
Listing expense		787,836
PharmaTher net assets received	$	1,924,298
	$	-

(Expressed in Canadian dollars)

4. Pro forma share capital

(a) The following table summarizes the pro-forma share capital:

Common shares

	Note	Number	Amount ($)
PharmaTher Shares issued and outstanding May 31, 2020		34,300,000	15,001
Newscope Shares issued and outstanding May 31, 2020		7,100,000	382,424
Newscope shares issued in private placement	3(a)	10,000,000	1,000,000
Newscope Shares issued upon conversion of special warrants	3(b)	1,036,000	85,959
Transaction costs of Newscope private placement	3(c)		(68,000)
Fair value of warrants issued in the Newscope private placement	3(d)		(51,792)
PharmaTher Shares issued in private plaement	3(e)	12,940,000	647,000
Transaction costs of PharmaTher private placement	3(f)		(43,360)
Fair value of broker warrants issued in PharmaTher private placement	3(g)		(34,853)
Elimination of Newscope share capital	3(h)		(1,348,591)
Fair value of consideration for reverse takeover	3(i)		1,813,600
		65,376,000	2,397,388

(b) The following table summarizes the pro-forma warrants

	Note	Number	Amount ($)
PharmaTher warrants issued in private placement	3(g)	915,200	34,853
Newscope warrants outstanding May 31, 2020		1,151,000	92,035
Fair value of warrants as consideration for reverse takeover	3(i)	111,800	90,906
Issuance of warrants in private placement	3(d)	680,000	51,792
Conversion of Newscope special warrants to common shares	3(b)	(1,036,000)	(85,959)
Elimination of Newscope warrants upon reverse takeover	3(h)		(57,868)
		1,822,000	$ 125,759

(c) Pro forma weighted average number of shares outstanding:

		Year Ended May 31, 2020
PharmaTher weighted average number of shares issued and outstanding		34,080,000
Newscope weighted average number of shares issued and outstanding		4,710,959
Issuance of PharmaTher shares in private placement	3(e)	12,940,000
Issuance of Newscope shares in private placement	3(a)	10,000,000
Issuance of Newscope shares upon conversion of special warrants	3(b)	1,036,000
		62,766,959

SCHEDULE "D"

AUDIT COMMITTEE CHARTER

1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Newscope Capital Corporation (the "**Company**"), annual evaluation and compliance with this charter.

1.2 The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

2.1 At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

2.2 The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

2.4 The Chair of the Audit Committee will be appointed by the Board.

3. AUTHORITY

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board the external auditor to be nominated by the Board;

(b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

(c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

(d) overseeing the work of the external auditor;

(e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;

(f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

(g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

(h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("**MD&A**"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

(i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

(j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

(k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

(l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

(m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

(n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

(o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

(p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

(q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

(r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

(s) resolving disputes between management and the external auditor regarding financial reporting;

(t) establishing procedures for:

(i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;

(x) establishing procedures for:

(i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;

(ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;

(iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

(iv) reviewing fraud prevention policies and programs, and monitoring their implementation;

(v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

(A) Tax and financial reporting laws and regulations;

(B) Legal withholding requirements;

(C) Environmental protection laws and regulations; and

(D) Other laws and regulations which expose directors to liability.

4.2 A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

4.3 On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

5.2 The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

5.3 The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

5.4 The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.5 The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

5.6 Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

6.1 The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

6.2 The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

8. ANNUAL PERFORMANCE EVALUATION

8.1 The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

CERTIFICATE OF NEWSCOPE CAPITAL CORPORATION

Dated: July 22, 2020

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Newscope Capital Corporation as required by the securities legislation of British Columbia.

"Fabio Chianelli"
Fabio Chianelli
Chief Executive Officer

"Carmelo Marrelli"
Carmelo Marrelli
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Christian Scovenna"
Christian Scovenna
Director

"Beverly J. Incledon"
Beverly J. Incledon
Director

CERTIFICATE OF THE PROMOTER

Dated: July 22, 2020

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Newscope Capital Corporation as required by the securities legislation of British Columbia.

"Fabio Chianelli"
Fabio Chianelli
Promoter